

NV Multi Corporation Berhad

ANNUAL REPORT 2010



NV Multi Corporation Berhad
(204888-D)

Level 3A, Wisma NV Multi,
No. 1 Jalan 1/116A, Off Jalan Sg Besi, 57100 Kuala Lumpur
www.nvmc.com.my

NV
MULTI
CORPORATION BERHAD

ANNUAL REPORT 2010

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Company will be held at Level 3, Wisma NV Multi, No. 1, Jalan 1/116A, Off Jalan Sungai Besi, 57100 Kuala Lumpur on Wednesday, June 22, 2011 at 11.00 a.m. to transact the following businesses:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended December 31, 2010 and the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To re-elect the following Directors who retire pursuant to Article 78 of the Company's Articles of Association:-
 - a. Tan Kean Huat **Resolution 2**
 - b. Yap Kim Swee **Resolution 3**
 - c. Dato' Tang See Hang **Resolution 4**
3. To approve the payment of Directors' fees of RM219,600 for the financial year ended December 31, 2010. **Resolution 5**
4. To re-appoint Messrs Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**
5. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

Chen Huey Jiu
Company Secretary

Kuala Lumpur
May 30, 2011

Notes:-

1. A member of the Company who is entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies; and in the case of corporation, a duly authorised representative to attend and vote in his stead.
2. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or his/her attorney duly authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 3A, Wisma NV Multi, No. 1, Jalan 1/116A, Off Jalan Sungai Besi, 57100 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD)

Directors who are standing for re-election at the Twentieth Annual General Meeting of the Company are:-

Directors	Direct		Indirect	
	No of ordinary shares of RM0.01 each held	% of issued share capital held	No of ordinary shares of RM0.01 each held	% of issued share capital held
Tan Kean Huat	2,283,000	1.98	538,500	0.47
Yap Kim Swee	18,000	0.02	-	-
Dato' Tang See Hang	18,000	0.02	-	-

The other details of the Directors standing for re-election are disclosed in the Directors' Profile section of this Annual Report.

3 YEARS GROUP FINANCIAL FOCUS

	2008 ^	2009 ^	2010 ^
Turnover (RM Million)	189.30	228.36	272.40
Profit Before Tax (RM Million)	32.38	37.52	95.85#
Net Earnings Per Share Attributable to Equity Holders of the Company (Sen)	5.29	7.97	22.64*
Equity Attributable to Equity Holders of the Company (RM Million)	189.08	210.75	302.05
Total Assets (RM Million)	573.50	607.05	303.43@

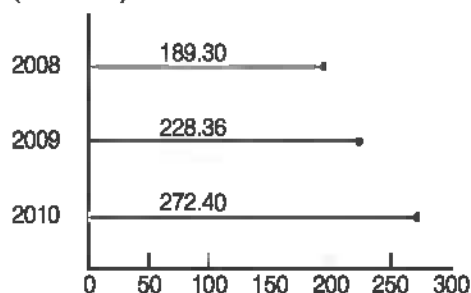
^ The figures represent continuing and discontinued operations

Year 2010 profit before tax included an exceptional gain of RM48.7 million recognized on the disposal of the entire businesses and undertakings (including all the assets and liabilities) ("the Disposal" or "the Exceptional Gain")

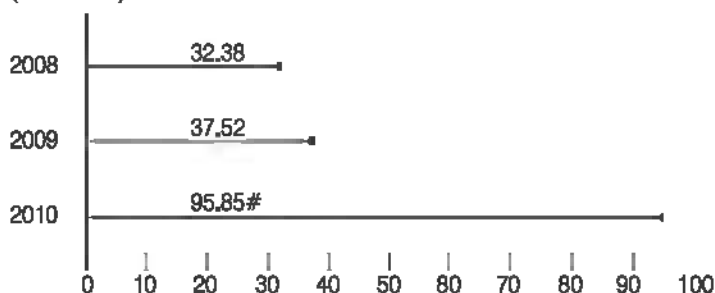
* Year 2010 included the effect on the recognition of the Exceptional Gain

@ Year 2010 included the effect on the recognition of the Disposal

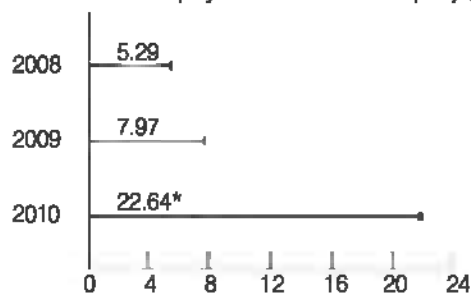
Turnover
(RM Million)



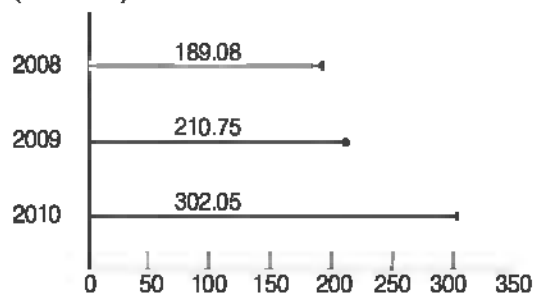
Profit Before Tax
(RM Million)



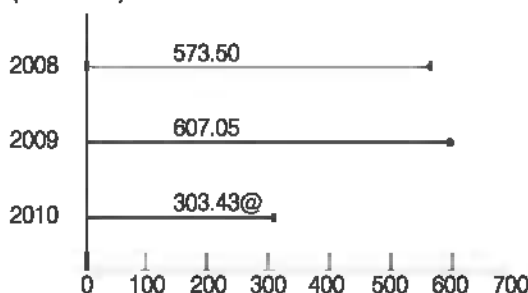
Net Earnings Per Share
Attributable to Equity Holders of the Company (Sen)



Equity Attributable to Equity Holders of the Company
(RM Million)



Total Assets
(RM Million)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Fu Ah Kiow

Independent Non-Executive Chairman

Dato' Kong Hon Kong

Managing Director/Chief Executive Officer

Kong Yew Foong

Executive Director

Soo Wei Chian

Executive Director

Lee Ah Kong

Non-Independent Non-Executive Director

Tan Kean Huat

Independent Non-Executive Director

Dato' Tang See Hang

Independent Non-Executive Director

Yap Kim Swee

Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Fu Ah Kiow

Chairman

Dato' Tang See Hang

Yap Kim Swee

COMPANY SECRETARY

Chen Huey Jiu

REGISTERED OFFICE

Level 3A, Wisma NV Multi

No. 1, Jalan 1/116A

Off Jalan Sungai Besi

57100 Kuala Lumpur

Tel No. : 03-7981 8899

Fax No. : 03-7980 0710

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd

Level 17, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra

59200 Kuala Lumpur

Tel No. : 03-2264 3883

Fax No. : 03-2282 1886

PRINCIPAL BANKERS

DBS Bank Ltd

EON Bank Berhad

Ambank (M) Berhad

Alliance Bank Malaysia Berhad

AUDITORS

Messrs. Deloitte KassimChan

Chartered Accountants

Level 19, Uptown 1

No. 1, Jalan SS21/58

Damansara Uptown

47400 Petaling Jaya, Selangor

Tel No. : 03-7723 6500

Fax No. : 03-7726 3986

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

Stock Code: 5021

Stock Name: NVMULTI

EMAIL ADDRESS

nvmulti@nvmc.com.my

DIRECTORS' PROFILE

DATO' FU AH KIOW

Chairman, Aged 62, Malaysian
(Independent Non-Executive Director)

Dato' Fu Ah Kiow was appointed as Independent Non-Executive Chairman of NV Multi on February 17, 2009. He is also the Chairman of Audit Committee and a member of Nomination and Remuneration Committee of the Company.

He holds a Bachelor of Science (Honours) degree in Physics and a Master degree in Industrial Engineering and Management Science.

He has more than 12 years of distinguished service in the Malaysian government. He was elected a member of Parliament in 1995 and was a Deputy Minister in several ministries prior to his retirement in 2008. Before joining the government, he worked as an engineer and in various managerial roles with multinational companies and later founded and successfully managed companies engaged in construction and M&E engineering services.

Currently, he is the Independent Non-Executive Chairman of Tiong Nam Logistics Holdings Berhad and Hirota Holdings Bhd

He also holds directorships in several private companies.

DATO' KONG HON KONG

Managing Director/Chief Executive Officer, Aged 57, Malaysian
(Non-Independent Executive Director)

Dato' Kong Hon Kong was appointed as Director of NV Multi on May 15, 1995 and he was designated as Managing Director on June 1, 2000. He assumed the additional responsibility of Chief Executive Officer on February 17, 2009. He is the founder of the Group. He was conferred a Doctorate of Philosophy (Honoris Causa) in Business Administration from the University of Honolulu in September 1999.

He is the driving force behind the Group's development, growth and expansion. His business acumen, foresight and determination has made the Group becomes the leader in the bereavement care industry in Malaysia.

His other activities in advancing communal interests are as follows:-

- Honorary Advisor of The Federation of Chinese Association Malaysia.
- Honorary Advisor of Young Entrepreneurs' Association of Malaysia.
- Honorary Advisor of The Dramatic Art Society.
- Honorary Advisor of Malaysia Xiamen University Faculty of Chinese Medical College.
- Honorary Advisor of Pertubuhan Confucius Chung De.
- Honorary Advisor of MCA, Lipis Division.
- Honorary President of Young Malaysian Movement.
- Honorary President of Seri Setia Old Folks Home, Sungei Way, Selangor Darul Ehsan.
- Honorary Chairman of The Federation of Chinese Association Malaysia-Nirvana Scholarship Fund Malaysia.
- Honorary Chairman of NV Foundation.
- Advisor of Sin Chew Foundation.
- Advisor of Persekutuan Xiang Qi Malaysia.

He also holds directorships in several private companies.

He is the father of Mr. Kong Yew Foong, a Director of the Company.

KONG YEW FOONG

Executive Director, Aged 33, Malaysian
(Non-Independent Executive Director)

Mr. Kong Yew Foong was appointed as Executive Director of NV Multi on August 1, 2005.

He is a qualified accountant and a member of the Certified Practising Accountant (CPA Australia). He is also a graduate of Bachelor of Commerce (majoring in Accounting and Finance) from the University of Melbourne, Australia.

He has 3 years experience in taxation and assurance services, having worked in Deloitte KassimChan Tax Services Sdn. Bhd. and KPMG.

Prior to his appointment as Director of NV Multi, he was the Personal Assistant to Managing Director since October 2003.

He also holds directorships in several private companies.

He is the son of Dato' Kong Hon Kong, the Managing Director/Chief Executive Officer of the Company.

SOO WEI CHIAN

Executive Director, Aged 42, Malaysian
(Non-Independent Executive Director)

Mr. Soo Wei Chian was appointed as Executive Director of NV Multi on August 1, 2005. He is also the Chairman of Risk Management Committee of the Company.

He joined NV Multi as Finance Manager in 1995 and was the General Manager, Finance and Corporate Affairs before he left NV Multi in year 2004.

He is a qualified accountant and a member of the Malaysia Institute of Accountants and the fellow member of the Chartered Institute of Management Accountants, United Kingdom. He also holds a Master Degree in Business Administration from the University of Strathclyde, United Kingdom.

He held financial positions in public listed companies for the period between 1991 and 1995. Prior to his appointment as Director of NV Multi, he was the Financial Controller of Hwa Tai Industries Berhad. Currently, he is the Non-Executive Director of Hwa Tai Industries Berhad.

He also holds directorships in several private companies.

DIRECTORS' PROFILE

LEE AH KONG

Director, Aged 65, Malaysian
(Non-Independent Non-Executive Director)

Mr. Lee Ah Kong was re-designated as Non-Independent Non-Executive Director of NV Multi on April 7, 2010. He was previously the Executive Director of NV Multi during the period from June 18, 2001 to April 6, 2010.

He qualified as a barrister from Lincoln's Inn, London in 1968 and practiced as an advocate and solicitor from 1969 to 1997 with vast experience in litigation and conveyancing.

From 1985 to 1994, he was a director of Nirvana Memorial Park Sdn. Bhd. which is the subsidiary of NV Multi. Prior to his appointment, he was the Group Legal Advisor of NV Multi since 1996.

He also holds directorships in several private companies.

TAN KEAN HUAT

Director, Aged 53, Malaysian
(Independent Non-Executive Director)

Mr. Tan Kean Huat was re-designated as Independent Non-Executive Director of NV Multi on October 13, 2010. He was the Non-Independent Non-Executive Director of NV Multi on August 1, 2008 after he retired as Executive Director on June 26, 2008. He is also the Chairman of Remuneration Committee of the Company.

He is a graduate in Diploma in Electronic Engineering.

Apart from being in the insurance business for the past 20 years, he is also active in the cosmetic trade. He has substantial interest in property investment as well as in food outlets.

Besides business, he is actively involved in charitable organizations. He is currently the President of Children Literature Recitation Center Malaysia, Vice Chairman of NV Foundation, Trustee of Confucian Culture & Education Foundation, Secretary of Confucian Chung De Association and member of Federation of I-Kuan Tao Malaysia, Phoenix Welfare Foundation and Malaysia Chinese Cultural Society

He also holds directorships in several private companies.

DATO' TANG SEE HANG

Director, Aged 59, Malaysian
(Independent Non-Executive Director)

Dato' Tang See Hang was appointed as Director of NV Multi on August 1, 2008. He is a member of Audit Committee, Remuneration Committee and Nomination Committee of the Company.

He has obtained his education at King Edward VII Secondary School, Taiping Perak.

He was a former Selangor State Executive Councillor from 1990 until 2008.

He has vast experience in the field of investment, trade and land matters from his former position as Chairman in the Investment, Industry & Trade Standing Committee and sitting on various committees relating to land, finance and planning in the previous Selangor State Government.

He has also been very active in various charitable organizations. He is currently the President of the Table Tennis Association of Malaysia, President of the Associations of Xiang Qi Selangor and Hon. Patron of the Subang Buddhist Association.

He also hold directorships in several private companies.

YAP KIM SWEE

Director, Aged 64, Malaysian
(Independent Non-Executive Director)

Mr. Yap Kim Swee was re-appointed as Director of NV Multi on November 8, 2008. He was previously the Executive Director of NV Multi during the period from January 2, 2003 to December 31, 2004. He is also the chairman of Nomination Committee and a member of Audit Committee of the Company.

He is a member of the Malaysian Institute of Accountants and Fellow of the Association of Chartered Certified Accountants.

He started his career in Hanafiah Raslan Mohd & Partners in 1969. In 1972, he joined Coopers & Lybrand (currently PricewaterhouseCoopers) as an audit senior and was appointed a Director of the firm in 1987. He was admitted to the Partnership in 1991 and retired from the partnership of PricewaterhouseCoopers in 2002. With his many years experience in audit and business advisory, he has extensive knowledge in the operations of various industries covering manufacturing, financial, insurance, telecommunication, housing development and plantation.

He was the Non-Executive Director of Equine Capital Berhad from 2003 to 2008. Currently, he is the Independent Non-Executive Director of Pelikan International Corporation Berhad and Quill Capital Trust.

He also holds directorship in a private company.

Notes:

1. Save as disclosed above, none of the Directors have:
 - a. any family relationship with any Directors and/or major shareholders of the Company; and
 - b. any conflict of interest with the Company.
2. None of the Directors have any conviction for offences within the past 10 years.

MEMO FROM THE CHAIRMAN



Dato' Fu Ah Kiow
Chairman

I am pleased to present on behalf of the Board of Directors of NV Multi Corporation Berhad, a report on the performance of the Group for the financial year ended December 31, 2010

Financial Performance

The Group performance for the financial year ended 2010 was based on the continued development of its businesses until the completion of The Disposal (as defined herein) on December 30, 2010. The Group's operations for the year ended December 31, 2010 achieved an after tax profit of RM84.1 million (Year 2009 : RM27.5 million) inclusive of an exceptional gain of RM48.7 million, recognised on The Disposal.

Revenue increased by 19.3% to RM272.4 million in Year 2010 (Year 2009 : RM228.4 million). The increase in revenue was primarily due to the higher sales of burial plots and niches. The single largest revenue contributor for the financial year was Nirvana Memorial Park, Semenyih which reported revenue of RM91.5 million representing 34% of the Group's total revenue.

On the international front, Jakarta and Singapore derived annual revenue of RM20.5 million and RM41.5 million respectively, a growth of 34% and 151% as compared to the previous year. This represents 23% of the Group's revenue for the financial year ended December 31, 2010. On the other hand, the Taiwan project has not commenced its sales operations thereby incurring a pre-tax loss of RM1.6 million (Year 2009 : RM1.5 million) whereas Cambodia incurred a pre-tax loss of approximately RM700,000 (Year 2009 : RM1.4 million) for the financial year ended December 31, 2010.

Corporate Development

On October 21, 2010, the Company entered into an Agreement with NV Multi Asia Sdn Bhd (formerly known as Mutual Tactic Sdn Bhd) for the disposal of the entire businesses and undertakings (including the entire assets and liabilities) of the Company for a total consideration of approximately RM300 million ("The Disposal"). This was approved by the shareholders of the Company at the Extraordinary General Meeting held on December 21, 2010. The Disposal was completed on December 30, 2010.



MEMO FROM THE CHAIRMAN

The proceeds from the Disposal were subsequently distributed to all entitled shareholders in the following manner: -

- i. declaration and payment of a special dividend to the entitled shareholders comprising gross dividends of 20.8 sen less income tax of 25% and single tier dividends of 32.7 sen for each ordinary share of RM0.25 ("NV Multi Share") held on January 17, 2011; and
- ii. capital repayment to the entitled shareholders of RM0.297 for each NV Multi Share held on March 4, 2011.

(collectively defined as "the Distribution")

The Disposal and the Distribution were undertaken after taking into consideration the low trading liquidity of the NV Multi shares over the past few years. The fact that it may not have been easy for shareholders to realise part or all of their investments in the Company on the open market, and that there was no assurance that historical dividends would be declared and paid by the Company, as the declaration of dividends by the Company would be dependent on the profitability, cash flow position and funding requirements of the NV Multi Group, the Disposal and the Distribution represented an opportunity for the existing shareholders to monetise their investments in the Company in the short to medium term, at a reasonable premium above the historical market prices, and to then pursue other investment opportunities.

As a consequence of the completion of the Disposal and the Distribution, the Company had insignificant levels of business and operations resulting in the Company being classified as a PN17 Company of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

In view of the above, the Company had on December 22, 2010 entered into a Restructuring Agreement with Mr. Oh Chiew Ho and Madam Low Yang Leen, Mr. Tan Chee Kuan and AYS Ventures Sdn Bhd, a special purpose vehicle incorporated to acquire the entire issued and paid-up share capital of Ann Yak Siong Hardware Sdn Bhd, for a purchase consideration of RM172,000,000. This special purpose vehicle shall assume the listing status of the Company, so as to enable the Company to maintain its listing status on Bursa Securities after the completion of the proposed restructuring. The proposed restructuring represents a comprehensive regularisation plan that is expected to enable the existing shareholders of the Company to participate in a new profitable core business via Ann Yak Siong Hardware Sdn Bhd.

Appreciation

On behalf of the Board of Directors and Management, I would like to express my heartfelt appreciation to our investors, customers and agents, our business associates and financial partners, our shareholders and our teams from the different offices in Asia who have stood together with us through our growth and development.

This has contributed substantially to the well-being and good name of the Company and its position and growth on the Stock Exchange.



Dato' Kong Hon Kong
Managing Director/Chief Executive Officer

The growth of the Group since it was first listed on the Main Board of Bursa Securities on August 23, 2000 has been as a consequence of the concerted efforts of all its performers.

Enhancement of Memorial Parks & Funeral Services

The Group continued in the development of its businesses and The Disposal allowed us to take stock of the products and services available to our customers and through our agents.

For the year ended 2010, we continued with the development of our innovative and customer-centric products and services that has allowed us to be the market leader in this industry. Amongst these:-

1. We saw the continued strengthening of our pre-need products as a growing sector of our business, primarily as a result of wide-coverage by agency networks and the long established "Nirvana" or "富貴" brand which has undeniably generated high awareness among the local Chinese communities. With consistent event and marketing activities, our agency networks continued to grow exponentially. Some of the events and activities of 2010 are summarised below:-
 - i. NV Star Awards 2009 held at the Sunway Resort Hotel & Spa in March 2010. This night was especially memorable for our agency networks, especially the prize winners and awardees, to celebrate the glory of their hard work in achieving the highest annual sales revenue.
 - ii. In February 2010, a ceremony was held to remember the pioneers of Chinese education and the Dong Jiao Zong advisor. This was commemorated on the 1st anniversary of the death of the Late Dato' Sim Mow Yu.
2. The development of our memorial parks and the various options created to meet the demands of our affluent customers. This has continued to contribute to the development of business opportunities both locally and within the region.
 - i. In August 2010, the first block of Ming Palace in Nirvana Memorial Park, Shah Alam was ready for urn installation.
 - ii. From November 2010, upon completion of the cremation services, our customers have the option of urn burial as an alternative to niches following the official launch of "Fu Shou Yuan" at the Nirvana Memorial Park, Shah Alam.
 - iii. In the same month, another burial development was launched. Zone NVD of Nirvana Memorial Garden, Semenyih is referred to as a "Ru Yi Ground" in geomantic terms. Its unique shape resembles the traditional Chinese decorative object "Ru Yi" (scepter) which has long been associated with abundance and wealth.

- iv. Another new product launched was the provision of the Heritage 2-in-1 Combo Promotion, which is a combination of Heritage Court niches at Nirvana Memorial Park, Shah Alam and basic funeral services. This new product allows us to cater to our valued customers by offering them attractive promotional prices and instalment schemes catering to their specific needs.
 - v. The Nirvana Buddha Shakyamuni Columbaria, named after the Lord Buddha, is located at Nirvana Memorial Park, Kulai and was completed in Year 2010. With only 669 units of double niches housed in a spacious single storey 9-level columbarium, this block is targeted at the affluent customer.
3. We also focused on the enhancement of our existing memorial parks as part of our beautification plans which included continuous improvements in the maintenance and upkeep of the hard and soft landscapes and other facilities in order to provide a premium image to the various memorial parks.

The unveiling ceremony of the Forest of Stone Tablets at the Nirvana Memorial Parks both in Semenyih and Shah Alam was held in November 2010. The Forest of Stone Tablet seeks to replicate the structural effects of the Xi'an model and provides a wonderful opportunity to appreciate and understand the rich and diverse Chinese culture. This is the first Stone Gallery of Chinese Calligraphy of its kind in South East Asia. It will be opened for study and tourism purposes in order to promote the culture of the ancient Chinese, thereby creating tourism opportunities using our memorial parks as landmarks.

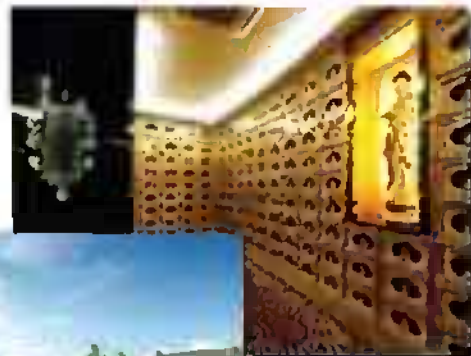
4. In Singapore, the Nirvana Columbarium underwent major refurbishment with Phase 1 comprising of approximately 7,500 units of niches and 3,500 units of ancestral tablets. With its completion in April 2010, it will fulfill the needs of the medium to high market segments in Singapore.
5. In continuing to upgrade the provision of premium funeral services for our customers, our focus is on the provision of memorable last rites for the deceased and the provision of emotional closure for the departed's loved ones. The fulfillment of this objective has always been the focus of the Group.

Conclusion

The above allows us to put into perspective the achievements of the year ended 2010. As always it has been a meaningful year, filled with activities and events that demonstrate the growth of the Group's contribution to the bereavement care industry thereby allowing the Group to meet society's needs. As a Group, we have taken great pride not only in the economic and corporate growth of our organisation, but more in the commitment to kindness, sharing and community which forms the very essence of who we are, and is a reflection of the direction that has been our pathway.



Ming Palace



Nirvana Columbarium



Forest of Stone Tablets

Fu Shou Yuan

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of NV Multi Corporation Berhad ("NV Multi") has been committed to ensuring the highest standard of corporate governance as a basis of discharging their fiduciary duties and responsibilities to protect and enhance shareholders' value and the corporate performance of NV Multi.

The Board is pleased to disclose herein the Group's application of and underlying principles as set out in the Malaysian Code of Corporate Governance ("Code") and the extent of compliance with the best practices in the Code throughout the financial year.

BOARD OF DIRECTORS

The Board

The Board has overall responsibility for corporate governance, strategic direction, control and activities of the Group. The Board meets on a quarterly basis or whenever deemed necessary. The Board has a formal schedule of matters specifically reserved for its decision, including financial performance, annual strategic planning, acquisitions, disposals, investments and new businesses, material agreements, major capital expenditures, borrowings and corporate restructuring.

Board's Composition

As at financial year ended December 31, 2010, the Board had eight (8) members comprising three (3) Executive Directors, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The composition of the Board is in compliance with paragraph 15.02 of the Bursa Malaysia Securities Berhad's ("Bursa Securities") Listing Requirements. The Board believes that the size of the Board is optimum given the scope and size of the Group, and that it is sufficient to provide for effective debate and decision-making with a substantial degree of independence from the management.

The Directors have wide-ranging experience as well as skills and knowledge which are vital to the discharge of the Board's responsibilities for the successful growth and strategic direction of the Group.

The roles of the Chairman and the Managing Director/Chief Executive Officer ("MD/CEO") have been clearly segregated to ensure there is check and balance on power and authority. The Chairman is responsible for the orderly conduct of the Board whereas the MD/CEO is accountable for the day-to-day management of the Group's business operations and implementation of the Board's decisions and policies.

Dato' Fu Ah Kiow was designated as the senior Independent Non-Executive Director in the Board, to whom any concerns may be conveyed as and when they arise.

A brief profile of each Director is presented on pages 6 to 9 in this Annual Report.

Board Committees

The Board had established various Board Committees namely the Audit Committee, Nomination Committee, Remuneration Committee, Executive Management Committee, Risk Management Committee and Employee Shares Option Committee to assist the Board in managing the Group's businesses activities. All Committees are required to report to the Board although each committee has its own written terms of reference which stipulate their respective responsibilities.

CORPORATE GOVERNANCE STATEMENT

Board Meetings

The Board meets at least 4 times per annum with additional meetings convened on an ad hoc basis as and when necessary.

The numbers and attendance frequency of every member in the Board and the regularity of its Committees meetings which were held during the financial year ended December 31, 2010 are reflected as follows:-

	Board	Audit Committee	Nomination Committee	Remuneration Committee
Dato' Fu Ah Klow	9/9	7/7	2/2	1/1
Dato' Kong Hon Kong	6/9*	-	-	-
Kong Yew Foong	6/9*	-	-	-
Soo Wei Chian	9/9	-	-	-
Lee Ah Kong	9/9	-	-	-
Tan Kean Huat	9/9	-	-	1/1
Dato' Tang See Hang	9/9	7/7	2/2	1/1
Yap Kim Swee	9/9	7/7	-	-

* In view of the fact that Dato' Kong Hon Kong and Mr. Kong Yew Foong were related parties to the disposal of the entire business (inclusive of assets and liabilities of the Company) to NV Multi Asia Sdn Bhd (formerly known as Mutual Tactic Sdn Bhd) ("the Disposal"), in compliance with best corporate governance practice, they had abstained from participating in all Board meetings called to deliberate on the matter.

Appointment to the Board

The Nomination Committee is responsible for evaluating and assessing the suitability of selected candidates for Board membership. In making these recommendations, the Nomination Committee will review the selected candidate's qualifications and work experiences before making any recommendations to the Board for approval.

Re-Election of Directors

The Articles of Association states that at least one-third of the Directors, including the Managing Director are subject to retirement by rotation at each annual general meeting. This is subject to the proviso that they are nevertheless eligible for re-election. Directors who are appointed during the year will have to retire and to seek re-election at the next annual general meeting.

Directors' Training

All Directors completed the Mandatory Accreditation Programme ("MAP"). During the year, some of the training programme, conferences, and seminars attended by the Directors and a talk presented by a Director are as follows:-

Training programmes, conferences and seminars attended:-

- Financial Reporting Standards ;
- Managing the Demands of Withholding Tax;
- The Regional Cambridge International Symposium on Economic Crime;
- 18th World Congress of Accountants;
- Global Trend & Market Strategy (Global Finance & Challenging Issues);
- Audit Committee Institute Roundtable discussion titled: Going Forward : Risk & Reform
– Implications for Audit Committee Oversight

CORPORATE GOVERNANCE STATEMENT

Talks presented:-

(a) Business Development Plan

In addition to the above, the Directors were regularly briefed about updates covering the Group's business operation, products knowledge, risk management activities, the latest development in related industries, the latest changes in listing requirement and new regulations, and other statutory requirements that were likely to affect the business' strategic plans.

The Directors were made aware of the need for regular training in order to be business savvy, to keep abreast with the latest developments and to polish up on the current business acumen and skills a dominance in the market. They were encouraged to attend forums and seminars conducted by external professionals catering to their respective needs, both for professional and personal development purposes, thereby assisting them to excel in discharging their obligations and duties within the Group.

Supply of information

The Directors have direct access to all information available within the Group. Enquiries may be made from time to time when deemed necessary. All Directors are furnished with agendas and a set of Board papers prior to each Board meeting, so as to be prepared in advance about any issues to be deliberated and to obtain further explanation, if the need arises, before any decision is reached. The Board papers covered issues relating to the Group's financial performance, major operation and corporate development matters, risk management, changes in substantial shareholdings, and other operational and regulatory compliance matters. The Board also perused the Audit Committee's minutes which were circulated together with the Board papers detailing how decisions and salient issues were deliberated by the Audit Committee.

Additionally, the Board was notified of any corporate announcements released to the public through Bursa Securities and was kept informed of any statutory requirements or updates issued by the various regulatory authorities from time to time.

In addition, the Board was provided with non-financial information including information on the latest products developments, marketing and business strategic planning and the like.

The Board also approved an agreed procedure for Directors, whether as a full Board or in their individual capacities, to seek independent professional advice from external consultants at the company's expense, when discharging their duties and responsibilities.

All Directors are vested with the right to unlimited access to the advice and the services of the senior management and the Company Secretary.

DIRECTORS' REMUNERATION

Remuneration Committee

The Company has adopted the guidelines as stipulated in the Code whereby the level of remuneration of Directors is sufficient to attract, retain and motivate the Directors who have the requisite knowledge, expertise and experience to manage and lead the Group successfully. The Remuneration Committee is responsible for recommending to the Board the remuneration framework for the Directors as well as for the Executive Directors alike.

The remuneration for the Executive Directors is based on an individual performance, seniority, experience, scope of responsibility and the level of commitment. For Non-Executive Directors, remuneration is commensurate with their experiences, expertise and level of responsibility.

CORPORATE GOVERNANCE STATEMENT

Detail of the Directors' Remuneration

The number of Directors of the Company whose total remuneration including benefits-in-kind fall within the following bands for the financial year ended December 31, 2010:-

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM50,000 and below	-	2
RM50,001 – RM100,000	-	2
RM100,001 – RM150,000	-	-
RM150,001 – RM200,000	-	1
RM500,001 – RM550,000	2	-
RM2,450,001 – RM2,500,000	1	-
Total number of Directors	3	5

The details for the Directors' remuneration received/receivable from the Company or subsidiaries during the financial year ended December 31, 2010 are disclosed in pages 73 to 74 of the Annual Report.

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

Maintaining accountability to the investors and shareholders is of paramount concern to the Company. Announcements made to Bursa Securities included the quarterly financial results, the provision of press releases and press conferences which allowed for a comprehensive overview and insight into the Group's performance to investors, shareholders and the general public.

Over and above participation in investor forums, the Company also organised meetings and gave briefings to analysts and institutional fund managers to enable them to gain a better grasp of the Group's businesses and to provide explanations, if any were required.

The Company's Annual General Meeting ("AGM") was the principal forum for having dialogues and interaction with the shareholders, gathering views and answering questions raised by the shareholders as listed in the agenda relating to any or all issues with reference to the Group's business activities and prospects.

The notice of AGM and the annual report were sent to the shareholders on a timely basis. Items of special business included in the notice of the meeting were accompanied by an explanatory statement to facilitate full understanding and evaluation of the issues involved.

During the year, the Group had a corporate website at www.nvmc.com.my to provide access to shareholders and the general public to retrieve any related information including the Group's profile, corporate information, financial statements, announcements made to the Bursa Securities, products and services and events updates.

CORPORATE GOVERNANCE STATEMENT

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board assumed the responsibility to convey a clear, balanced and comprehensive assessment of the Group's financial position and business prospects when presenting the annual and quarterly financial results.

Internal Control

The statement relating to the Company's Internal Control is set out on pages 22 to 24 of this Annual Report which contains the explanatory statement and the status report on internal control within the Group.

Relationship with External Auditors

The Board, via the Audit Committee, maintains a formal yet transparent relationship with the Group's internal as well as external auditors. The auditors shall, from time to time, highlight to the Audit Committee and the Board, matters that warrant the Board's attention and decision. During the financial year, the Audit Committee met with the external auditors twice in the absence of the executive board members. The Group paid non-audit fee of RM38,000 to the statutory auditors during the financial year.

DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

In compliance with the Companies Act, 1965, the Directors prepared the financial statements for each financial year pursuant to the statutory requirements and accounting standards which in the Group's fair view, was declared to be a true and accurate report.

In preparing the financial statements, the Directors had:-

- selected appropriate accounting policies and applied them consistently;
- made prudent judgments and reasonable estimates;
- duly complied with the applicable accounting standards in Malaysia; and
- prepared the financial statements on a going-concern basis.

The Board was responsible to ensure that the Company maintained proper accounting records to disclose with reasonable accuracy, the financial status of the Group in order to give a true and fair view on the state of affairs of the Group as at December 31, 2010.

The Directors were also entrusted with the duty to safeguard the Group's assets in addition to adopting reasonable measures to detect and prevent fraud or other malpractices.



CORPORATE SOCIAL RESPONSIBILITY

The year ended 2010 has seen our organisation continue to fulfill its Corporate Social Responsibility ["CSR"] obligations in earnest. In recognising that our continued success as an organisation is attributable to the exercise of giving and sharing our wealth, we remained committed to the fulfillment of this responsibility to its fullest extent.

In this regard, the year saw us achieve a variety of CSR efforts both internally and externally.

Caring for our community : NV Outreach

This year saw us actively encourage outreach to the community. These outreach programmes were primarily focused on a variety of events and activities within the community that included :

1. The erection of the Forest of Stone Tablets, (which resembles the Xi'an Beilin) at the Nirvana Memorial Parks in Semenyih and Shah Alam. The Beilin will house the treasured art form of Chinese calligraphy which emphasises the values of filial piety, parental attitude and social cognition. Upon completion, this valuable landmark will be opened for study and tourism purposes in order to promote the culture of the ancient Chinese.
2. The sponsorship for the Lee Yee 30th Anniversary Charity Musical Concert in July 2010. Held at the KL Live Event Hall, the emphasis was to capture the abundant family spirit in the form of the "Because of Love" event.

Our participation in this event allowed us to promote our tradition of caring and to maintain our good corporate image.

3. August 2010 saw us participating with China Press in their charitable activities. The event allowed us to become one of the co-organisers of the China Press 5 Hearts Care Theme. This theme was established in 2009 wherein China Press' focus was on the development of "tender loving care" with the public. The key objective of this event is to build a loving and caring society and this event included the provision of cash and gifts to members of our elderly community.
4. August also saw the 2010 Nirvana Enlightenment Ceremony which was used as a platform to launch the "We Fully Support 1Malaysia" campaign at Nirvana Memorial Park in Semenyih. The Nirvana Enlightenment Ceremony is carried out annually during the 7th month of the Chinese lunar year. During this time, the Chinese communities pay tribute and homage to their ancestors through offering and prayers. More than 10,000 participants and members of the public attended this event at a single venue. The "1Malaysia : Thousands of Signatures Campaign" received overwhelming support from the attendees, many of whom put their signatures on the scroll of support.
5. We also conducted natural health talks for the public in August 2010. The main purpose was to help the audience discover how to improve their health and reduce their need for holistic remedies or conventional medicines. The key focuses were on "Healthy lifestyles start from your vertebra" and "The art of eating". Conducted in Kuala Selangor, the speaker was Dr. Hsieh Yueh Hsun, an author of books on Naturopathy-Natural Healing.
6. A key initiative undertaken in 2010 was the establishment of the Haematology House for patients from the Ampang Hospital in collaboration with NV Foundation ("NVF"). The Ampang Hospital is a referral centre for stem cell transplants and complicated haematology problems.

Since about 70% of the patients of this Hospital come from outside the Klang Valley, and have to remain at the hospital for between 2 weeks to 3 months or more for treatment, NVF worked with the Hospital to set up a Haematology House for the patients.

NVF provided the Haematology House with the required furniture, fittings, equipment, water filters, electrical appliances and also paid for the rental of a house that is within walking distance to the hospital, for use by the patients and one accompanying family member. This allows for free accommodation to these individuals in need. In addition, routine weekly / fortnightly visits are made by NVF volunteers to the Haematology House for general counseling sessions.

7. As always, our organisation remained committed to the promotion of filial piety and the encouragement of family values manifest in our involvement in "Bai Xiao Pian". This platform allows for the introduction and promotion of Chinese culture and is also focused on the art of calligraphy attainment in the region.

CORPORATE SOCIAL RESPONSIBILITY

8. September 2010 allowed us to conduct the "Filial Piety, Laughing, Efficiency Talk" with students and teachers of Kwang Hua Private High School and Hin Hua High School, both in Klang. The primary purpose was to promote the core values of filial piety in daily life. We were privileged to have Mr. Zheng Wu Jun, a retired principal of a special education school in Taiwan, as our speaker. He shared life experiences that allowed the audience to discover the relationship between filial piety, laughing and how these attitudes can improve the quality of life. The participants left the talk with a better understanding of how to honour the elderly and how to implement good moral values and ethics in the belief that this would create a more caring society.
9. As done in 2009, the provision of free bereavement support for the poor community through the "Love & Care Plan" continued in 2010. This CSR initiative also allowed for the support of victims of disaster relief and to provide social services and support to the physically and financially vulnerable.

Our organisation continued with sponsoring caskets, funeral services and niches to the poor, needy and celibate particularly in instances where these departed individuals would not have been able to afford such a service.

10. Finally but of substantial importance was our participation in the development and distribution of a booklet on Eco-Enzymes. This particular project was important to us as it provided an opportunity to educate the public about the development of eco-enzymes and how this can impact positively on the environment. This booklet was provided for distribution in January 2011. The Group provided financial and manpower support to NVF to enable the successful publication of the booklet, which was distributed free. In addition, seminars were held to create awareness of this area of development, and public and corporate bodies were encouraged to download the booklet for free.



Caring for the people who define who we are : Within NV

We continued with our commitment to our employees and agents to allow for personalised care and commitment to them as individuals and as professionals.

1. Health Screening

As has been our practice, we continued to provide all our staff with full medical check-ups or alternatively, blood examinations in order to monitor their physical wellbeing and where possible, provided sponsorships and subsidies in medical care to them and their families.

2. Health Care Education

We provided a variety of health talks as well in 2010 with emphasis on cervical cancer prevention and liver and gall bladder cleansing. These talks were followed with the provision of cost subsidised follow-ups for the benefit of our staff.

As always, relevant health related articles were shared amongst the staff through the use of the NV Forum and staff mail. This provided for a platform of knowledge and information distribution as well as discussion amongst the staff.

3. Career Development and Recognition

Training is a key feature in the development of our team and this year saw training provided to our staff in a host of different areas. The key areas of training for the year ended 2010 were on law and order with a representative from the Royal Malaysian Police Force and particular emphasis was given to the development of key knowledge on ISO 9001 for the benefit of the staff as well as the organisation.

The year ended 2010 saw NV continue in our commitment to our staff and our community. Filled with activities that allowed for learning and development, sharing and giving, we believe that this provided us with the opportunity to give back to the people around us in a meaningful and lasting manner.

INTERNAL CONTROL STATEMENT

The Board of Directors ("Board") of NV Multi Corporation Berhad acknowledges its responsibility by re-affirming its commitment to maintaining a highly professional system of internal controls and risk management practices within the Group in order to safeguard shareholders' investments and assets within the Group.

The Board is pleased to furnish the internal control statement for the financial year ended December 31, 2010 which is as follows:-

The system of internal control adopted by the Group covers corporate governance, operations, financial and risk management procedures as well as compliance controls. The Board acknowledges that despite the inherent limitations of the internal control system and procedures, they are designed primarily to manage, rather than eliminate, the risk of failure of the Group's business objectives. Therefore, it only provides a reasonable and not an absolute assurance against material misstatement or loss.

KEY INTERNAL CONTROL PROCESSES

The established key processes in reviewing the adequacy and integrity of the system of internal controls are particularised as follows:-

- The Board and the Audit Committee meet every quarter to discuss matters raised by Management on business and operational matters including potential risks and control issues.
- The Group maintains a formal organisation structure with well-defined delegation of responsibilities and accountability. It set out the roles and responsibilities, with appropriate limits of authority, review and approval procedures in order to tighten the internal control system of the Company pertaining to its various operations. The limit of authority is subject to review from time to time.
- The Group has duly documented internal policies and procedures which are regularly reviewed and updated. This exercise is vital to the Company in order that it can meet any new business challenges arising over and above attaining its current business objectives in this competitive environment.
- Standard Operating Procedures lay down key processes for all operational units to adhere to within the Group. These processes are reviewed regularly to cushion changing risks or to resolve any operational deficiencies.
- Budgetary controls aimed at identifying significant variances for every operation of the Group is closely monitored. Forecasts were revised every half year. Monthly operational meetings and regular weekly meetings were conducted among the senior management teams to evaluate and monitor the progress of the Group's business operations.
- Training and development programmes were regularly conducted to enhance staff competencies and skills thereby assisting them in to discharge their responsibilities diligently and effectively.
- The Internal Audit independently reviewed the control processes implemented by the management and subsequently reported to the Audit Committee on a quarterly basis. The Internal Audit checked and balanced the operational and the effective implementation of the internal control system within the Group.
- Products and services qualities were of prime importance to NV Group. Procedures compliance and quality control management as outlined in ISO 9001:2008 were strictly adhered to.
- Regular visits by members of the Board, senior management staff and internal auditors to the principal and site offices at the different locations to obtain hands-on knowledge and a better understanding of the business operations was done before making informed decisions on related matters.



INTERNAL CONTROL STATEMENT

Some weaknesses in internal control were identified for the year under review but they are not deemed significant and as such were deemed not to have caused material impact on the Group's business operations. The Management recognised the need to continually strengthen the control mechanisms in light of an evolving operational environment.

MANAGEMENT FRAMEWORK

The Board has vouched to maintain an ongoing process of identifying, evaluating, monitoring, managing and controlling any significant risk exposures that are inherent in the business operations.

Major business risks and their possible impact are evaluated by the management and staff in their respective areas of responsibilities. The Board, based on the presented operations and financial reports deliberate its decision in the Board meetings.

The Group's risk management process is managed by a Risk Management Committee made up of cross-functional senior managers headed by an Executive Director.

The Group had assessed and evaluated the risk implications in relation to both existing and proposed business activities, systems and procedures. All risks identified were assessed and documented, together with the control measures in mitigating those identified risks.

There are a series of options available in accepting, mitigating, transferring and avoiding any identified risk. The option in the implementation of an appropriate action in tackling the risk is the responsibility of the respective department or section head but is subject to the Risk Management Committee's endorsement.

A quarterly report on the risk profiles for each operating unit within the Group was duly prepared. A Risk Management Committee reviewed the Company's risks and subsequently presented its report with its recommendations to the Audit Committee for consideration and deliberation. The Audit Committee thereafter highlighted any strategic risks issues for the attention of the Board.

INTERNAL AUDIT

The Board and Audit Committee are assisted by the Internal Audit Department whose main role is to conduct independent, regular and systematic reviews of the internal control system with reasonable assurance that such system is capable of yielding effective and satisfactory results.

Audit reports were submitted for review and approval by the Audit Committee on a quarterly basis. Among other reports submitted was the recommendation for corrective measures on identified risks, if any, for implementation by the Management. Any area of concern which requires further improvement as highlighted in the audit report was discussed in the Audit Committee meetings.

The Board believes that the internal control system in the Group is adequate and functionally effective with no significant problems noted during the period under review.

The Group will endeavor to improve and enhance the existing internal control system to cater to the changing business environment and keep abreast with the latest developments and trends.

The total cost incurred for the internal audit function of the Group for 2010 was approximately RM190,000.



INTERNAL CONTROL STATEMENT

RESTRUCTURING EXERCISE

The Company completed the disposal of its entire businesses and undertakings (including the entire assets and liabilities of the Company) to NV Multi Asia Sdn Bhd (formerly known as Mutual Tactic Sdn Bhd) on December 30, 2010.

Arising therefrom, the Company is no longer involved in the bereavement care business but remain as an investment holding company.

Currently, the Company is in the midst of undertaking a proposed restructuring scheme ("Restructuring Scheme") subject to the approval of the relevant authorities as set out in page 122 of the Annual Report 2010. Upon the completion of this Restructuring Scheme, the new Board of Directors will implement a new set of internal control system for the new business environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Internal Control Statement for the inclusion in this 2010 annual report.



AUDIT COMMITTEE REPORT

Chairman of Audit Committee:

Dato' Fu Ah Kiow
(Chairman and Independent Non-Executive Director)

Members:

Dato' Tang See Hang (Independent Non-Executive Director)
Yap Kim Swee (Independent Non-Executive Director)

TERMS OF REFERENCE

COMPOSITION

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not fewer than three (3) members of whom a majority shall be Independent Non-Executive Director.

At least one member of the Audit Committee:-

- Must be a member of the Malaysian Institute of Accountants; or
- A person approved under Section 15.10 (1)(c)(ii) of the Bursa Securities' Listing Requirements; or
- Fulfills such other requirements as prescribed or approved by the Exchange.

The Committee members shall elect a Chairman from among themselves who shall be an Independent Non-Executive Director.

No alternate director shall be appointed as an Audit Committee member.

If a member of the Committee resigns, dies or for any other reason ceases to be a member resulting in the number of members being reduced to less than three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to meet the minimum number of three (3) members.

The terms of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

QUORUM

The quorum for any meeting shall consist of a majority of Independent Non-Executive Directors and shall not be less than two.

AUDIT COMMITTEE REPORT

MEETINGS AND ATTENDANCE

Meetings shall be held at least four (4) times a year. Any one of the Audit Committee members may call for a meeting or this may occur upon request by the external auditors whenever it is deemed necessary.

The Executive Directors, the Head of finance, the Head of internal audit, and a representative of the external auditors may be invited to attend the Audit Committee meetings.

The Company Secretary shall be the Secretary of the Audit Committee.

The Secretary of the Committee shall circulate the minutes of the Audit Committee meetings to all members of the Committee and the Board of Directors for information.

The Audit Committee held seven (7) meetings during the financial year ended December 31, 2010.

The attendance of the Audit Committee members was listed as follows:-

Members	Attendance
Dato' Fu Ah Klow (Chairman)	7/7
Dato' Tang See Hang	7/7
Yap Kim Swee	7/7

AUTHORITY

The Committee is authorised by the Board, amongst other things to:

- (a) investigate any activity within its Terms of Reference ;
- (b) seek any information from any employees and all employees are directed to co-operate with any request made by the Committee;
- (c) obtain external legal and/or other independent professional advice; and
- (d) secure the attendance of the external professionals with relevant experience and expertise if it deems necessary.

The Committee shall have direct communication channels and be able to convene meetings with the external auditors without the presence of the non-independent members of the Board and the management, whenever deemed necessary.

The Committee shall be empowered to appoint and remove the internal auditor who is required to report directly to the Committee.

FUNCTIONS

The duties of the Committee are:-

- To consider and review the appointment of the external auditor, audit fees and any question pertaining to their resignation and/or dismissal;
- To discuss with the external auditor before the audit commences, with regards to the nature, scope and general extent of the external auditors' audit examination;
- To review the quarterly reports and annual financial statements, and to consider the following matters before making the submission to the Board, such as:-
 - * any changes in accounting policies;
 - * significant adjustments arising from the audit;
 - * the going on concern assumption;
 - * compliance with applicable approved accounting standards;
 - * compliance with the Bursa Securities' and legal requirements; and
 - * any related party's transactions that may arise;
- To discuss issues and reservations arising from the interim and final audits;
- To review the effectiveness of internal control systems pertaining to the external auditor's management letter and response;
- To review the internal audit programme;
- To consider the major findings of internal audit's investigations and the management's feedback;
- To facilitate the co-ordination between the internal and external auditors;
- To assess the assistance given by the Company's officers to the external auditor; and
- To carry out such other functions as may be mutually agreed upon between the Audit Committee and the Board of Directors.

SUMMARY OF ACTIVITIES

The activities of the Committee for the financial year ended December 31, 2010 included the following:-

AUDIT COMMITTEE REPORT

Financial Reporting

- Reviewed the unaudited quarterly financial results of the Group and made recommendations to the Board for approvals and adoption prior to an announcement being made to the Bursa Securities.
- Reviewed the annual audited financial statements for the financial year ended December 31, 2009 for the Group and the same was submitted to the Board for their consideration and approval accordingly.
- Reviewed the Company's regulatory compliance, particularly the quarterly and year-end financial statements, with the Listing Requirement of Bursa Securities and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

Internal Audit

- Reviewed the internal audit reports, audit recommendations, the management's feedback and improved internal control systems and efficiency enhancement exercise as suggested by the internal auditors.
- Reviewed the Internal Audit Department's resource requirement, programmes and audit plan for the financial year to ensure adequate coverage of the activities of the respective business units and the annual assessment of the Internal Audit Department's performance.
- Reviewed and monitored the effectiveness of the Company's internal audit functions.
- Reviewed the audit reports presented by the Internal Audit Department on findings, recommendations and management's responses thereto and ensured that material findings were adequately addressed by the management.
- Performing ad-hoc task as required by the Audit Committee.

External Audit

- Reviewed the external auditors' scope of work and their audit plan.
- Liased with the external auditors about the internal control recommendations in respect of areas of weaknesses noted in the course of their auditing.

Others

- Reviewed and approved the Audit Committee Report, Corporate Governance and Internal Audit Statements.
- Reviewed the Risk Management Reports of the Group.
- Reviewed the related party transactions and conflict of interest that might arise within the Company and the Group

In respect of the Company's Employees' Share Option Scheme, there was no allocation of option during the year 2010 for the Audit Committee to review.

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FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and the Company for the financial year ended December 31, 2010.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and provision of management services. During the financial year, the Company disposed of its subsidiary companies pursuant to the disposal of the entire business and undertakings (including all the assets and liabilities) ("The Disposal") as disclosed in Note 42 to the financial statements. The principal activities of the former subsidiary companies are set out in Note 17 to the financial statements.

Upon the completion of The Disposal on December 30, 2010, the Company has been classified as a PN17 company in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). In addition, the Company is currently in the process of undertaking a restructuring scheme as part of its regularisation plan as disclosed in Note 42 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and its former subsidiary companies during the financial year.

FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
Profit for the year	84,135	146,401
Attributable to:		
Owners of the Company	82,342	146,401
Non-controlling interests	1,793	-
	84,135	146,401

In the opinion of the Directors, the results of the operations of the Group and the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than The Disposal as disclosed in Note 42 to the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

Dividends paid and declared by the Company since the end of the previous financial year were as follows:

RM'000

In respect of the financial year ended December 31, 2009:

A first and final dividend of 3.25 sen or 13% gross per ordinary share of RM0.25 each, less 25% income tax was paid on August 18, 2010	9,221
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At the Extraordinary General Meeting ("EGM") held on December 21, 2010, the shareholders of the Company had approved The Disposal and The Disposal was completed on December 30, 2010. Subsequently, on January 28, 2011, the Company distributed part of the cash proceeds arising from The Disposal to all entitled shareholders as special dividend comprising (i) gross dividend of 20.8 sen or 83.2% gross per ordinary share of RM0.25 each ("Share") less 25% income tax and (ii) single tier dividend of 32.7 sen or 130.8% gross per Share on 383,701,000 Share, amounting to RM185,327,583. The financial statements for the current financial year do not reflect this special dividend. This dividend will be accounted for in equity as an appropriation of retained earnings during the financial year ending December 31, 2011.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM85,701,000 to RM95,253,750 by way of the issuance of 4,011,000 Shares for cash pursuant to the exercise of share options granted under the Company's Employees Share Option Scheme ("ESOS") at the option prices of RM0.48, RM0.56 and RM0.63 per Share and the issue of 34,200,000 Shares for cash pursuant to the Private Placement as disclosed in Note 28 to the financial statements.

All new ordinary shares issued during the financial year rank pari passu with the existing issued ordinary shares of the Company.

At the abovementioned EGM, the Company had also increased its authorised ordinary share capital from RM100 million comprising 400 million Shares to RM120 million comprising 480 million Shares.

The Company did not issue any debentures during the financial year.

DIRECTORS' REPORT

SHARE BUY-BACK

During the financial year, the Company had repurchased 10,000 Shares from the open market on Bursa Securities at the average price of RM0.65 per Share which were being held as treasury shares in accordance with the provisions of Section 67A of the Companies Act, 1965. Subsequently, all the treasury shares of 20,000 Shares held by the Company were sold in the open market at the average price of RM0.725 per Share on October 15, 2010 and the surplus of RM1,302 has been credited to share premium account in the financial statements of the Group and of the Company.

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the By-Laws approved by the shareholders at the Extraordinary General Meeting held on June 26, 2007 for eligible directors and employees of the Company and its subsidiary companies up to fifteen percent (15%) of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS. The ESOS was implemented on February 5, 2008 and is to be in force for a period of five years from the date of implementation.

The salient features and the detailed movement of the ESOS are as disclosed in Note 30 to the financial statements. The ESOS has been terminated subsequent to the financial year on January 7, 2011.

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

DIRECTORS

The Directors of the Company in office since the date of the last report and as at the date of this report are:

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan
Dato' Kong Hon Kong
Kong Yew Foong
Soo Wei Chian
Lee Ah Kong
Tan Kean Huat
Dato' Tang See Hang
Yap Kim Swee

In accordance with Article 78 of the Company's Articles of Association, Messrs Tan Kean Huat, Yap Kim Swee and Dato' Tang See Hang retire by rotation at the forthcoming Annual General Meeting of the Company and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to have arisen from transactions entered into with related parties as disclosed in Notes 40 and 42 to the financial statements.

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of acquisition of shares in the Company or of any other body corporate, other than those arising from the share options granted under the Company's ESOS as disclosed.

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings maintained by the Company under Section 134 of the Companies Act, 1965, the interests of Directors who were in office at the end of the financial year in the shares of the Company during the financial year are as follows:

	Number of ordinary shares of RM0.25 each			
	As of 1.1.2010	Bought/ Exercise of ESOS	Sold	As of 31.12.2010
Direct Interest				
Dato' Fu Ah Kioh @ Oh (Fu) Soon Guan	1,000,000	30,000	-	1,030,000
Dato' Kong Hon Kong	1,000,000	175,000	-	1,175,000
Soo Wei Chian	1,130,008	140,000	-	1,270,008
Lee Ah Kong	21,000	-	(21,000)	-
Tan Kean Huat	7,530,000	80,000	-	7,610,000
Dato' Tang See Hang	-	60,000	-	60,000
Yap Kim Swee	-	60,000	-	60,000
Indirect Interest				
Dato' Fu Ah Kioh @ Oh (Fu) Soon Guan	3,500,000	-	-	3,500,000
Dato' Kong Hon Kong	104,249,936	-	-	104,249,936
Kong Yew Foong	28,000,000	-	-	28,000,000
Tan Kean Huat	1,795,000	-	-	1,795,000

DIRECTORS' REPORT

The movements of the share options over the unissued Share in the Company granted under ESOS to the Directors in office at the end of the financial year are as follows:

	Number of share options over ordinary shares of RM0.25 each		
	As of 1.1.2010	Exercised	As of 31.12.2010
Direct Interest			
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan	30,000	(30,000)	-
Dato' Kong Hon Kong	175,000	(175,000)	-
Kong Yew Foong	205,000	-	205,000
Soo Wei Chian	140,000	(140,000)	-
Lee Ah Kong	140,000	-	140,000
Tan Kean Huat	80,000	(80,000)	-
Dato' Tang See Hang	60,000	(60,000)	-
Yap Kim Swee	60,000	(60,000)	-
Deemed Interest			
Dato' Kong Hon Kong*	296,000	-	296,000

* Deemed interest by virtue of share options granted to his children pursuant to Section 134(12)(c) of the Companies Act, 1965.

Dato' Kong Hon Kong and Mr. Kong Yew Foong, by virtue of their interest in the shares of the Company, and pursuant to Section 6A(4)(c) of the Companies Act, 1965 are deemed to have interest in the shares of all the former subsidiary companies to the extent that the Company has interests.

OTHER STATUTORY INFORMATION

Before the Statements of Comprehensive Income and Statements of Financial Position of the Group and the Company were made out, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts have been written off and adequate allowances have been made for doubtful debts; and
- (ii) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors of the Company are not aware of any circumstances:

- (i) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- (ii) which would render the value attributed to the current assets in the financial statements of the Group and the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or the Company that has arisen since the end of the financial year.

In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group and the Company to meet their obligations as and when they fall due.
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of financial year and the date of this report which is likely to affect substantially the result of the operations of the Group and the Company for the financial year in which this report is made other than those disclosed in Note 42 to the financial statements.

SIGNIFICANT EVENTS

The significant events during the current year and subsequent to the year-end are disclosed in Note 42 to the financial statements.

DIRECTORS' REPORT

AUDITORS

The auditors, Messrs Deloitte KassimChan, have expressed their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution
of the Directors:

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DATO' KONG HON KONG) Directors
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Kuala Lumpur
Date : April 28, 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NV MULTI CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Report on the Financial Statements

We have audited the financial statements of **NV MULTI CORPORATION BERHAD**, which comprise the statements of financial position of the Group and of the Company as of December 31, 2010, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 122.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of December 31, 2010 and of their financial performance and cash flows for the financial year then ended.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the Financial Statements which discloses that the Company has announced that it has become an affected listed issuer pursuant to the amended Practice Note 17/2005 (PN 17) of the Listing Requirements of Bursa Malaysia Securities Berhad upon the completion of the disposal of the entire business and undertakings of the Company as of December 30, 2010. Consequently, the Company is required to undertake a plan to regularise its operational position and to submit the regularisation plan to relevant authorities for approval within 12 months from December 30, 2010.

The directors are of the opinion that the Company would be able to regularise its operational position and submit its proposed restructuring plan as mentioned in Note 42 to the Financial Statements in due course.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NV MULTI CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

- (a) in our opinion the accounting and other records and the registers required by the Act to be kept by the Company and the subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act;
- (b) we have considered the accounts and auditors' reports of the subsidiary companies, of which we have not acted as auditors, as disclosed in Note 17 to the Financial Statements, being accounts that have been included in the financial statements of the Group;
- (c) we are satisfied that the accounts of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and
- (d) the auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any adverse comment made under sub-section (3) of Section 174 of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 43 to the Financial Statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

LOO CHEE CHOU
Partner - 2783/09/12 (J)
Chartered Accountant

April 28, 2011

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2010

	Notes	The Group		The Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	5	272,399	228,360	56,127	38,068
Cost of sales		(93,985)	(77,957)	-	-
Gross profit		178,414	150,403	56,127	38,068
Other income		12,898	8,199	2,130	1,876
Selling and distribution expenses		(89,959)	(66,810)	-	-
Administrative and other operating expenses		(53,325)	(51,863)	(12,003)	(12,826)
Profit from operations	7	48,028	39,929	46,254	27,118
Finance costs	9	(2,240)	(3,042)	(707)	(1,178)
Share of profit of an associated company		10	177	-	-
Exceptional gain on The Disposal	42	48,741	-	109,078	-
Income from other investments	10	1,315	455	740	153
Profit before tax		95,854	37,519	155,365	26,093
Income tax expense	11	(11,719)	(10,038)	(8,964)	(6,649)
Profit for the year		84,135	27,481	146,401	19,444
Other comprehensive Income					
Currency translation differences		(1,423)	2,191	-	-
Total comprehensive income for the year		82,712	29,672	146,401	19,444
Profit for the year					
Attributable to:					
Owners of the Company		82,342	27,306	146,401	19,444
Non-controlling interests		1,793	175	-	-
		84,135	27,481	146,401	19,444

(Forward)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2010

	Notes	The Group		The Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Comprehensive Income for the year					
Attributable to:					
Owners of the Company		81,637	28,527	146,401	19,444
Non-controlling interests		1,075	1,145	-	-
		82,712	29,672	146,401	19,444
Earnings per share attributable to owners of the Company (sen):					
- Basic for the year	12	22.64	7.97		
- Diluted for the year	12	22.58	7.96		

The results of the Group in 2010 are in respect of the operations of the Group which have been discontinued following the disposal by the Company of its entire assets and liabilities as mentioned in Note 42 to the Financial Statements. When an operation is classified as a discontinued operation, the comparative figures are re-presented as if the operation had been discontinued from the start of the comparative period.

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2010

	Notes	← The Group →			The Company	
		31.12.2010 RM'000	31.12.2009 RM'000	1.1.2009 RM'000	2010 RM'000	2009 RM'000
ASSETS						
Non-current Assets						
Property, plant and equipment	13	-	42,426	40,996	-	1,957
Plantation development expenditure	15	-	526	-	-	-
Land and development expenditure	16	-	63,715	73,574	-	-
Investment in subsidiary companies	17	-	-	-	-	16,622
Investment in an associated company	18	-	4,280	4,103	-	4,000
Other investments	19	-	301	211	-	301
Sinking fund	20	-	30,012	19,601	-	-
Deferred acquisition cost	21	-	22,082	21,140	-	-
Trade receivables	22	-	9,809	25,720	-	-
Pre-need funeral contract receivables	23	-	407	687	-	-
Deferred tax assets	24	-	24,113	16,584	-	-
Goodwill arising on consolidation	25	-	8,449	10,786	-	-
Total Non-current Assets		-	206,120	213,402	-	22,880

(Forward)

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2010

	Notes	← The Group →			The Company	
		31.12.2010 RM'000	31.12.2009 RM'000	1.1.2009 RM'000	2010 RM'000	2009 RM'000
Current Assets						
Inventories	16	-	20,079	16,568	-	-
Land and development expenditure	16	-	250,682	208,253	-	-
Trade and other receivables	22	82,946	88,196	79,396	82,946	189
Tax recoverable		-	2,117	1,892	-	392
Pre-need funeral contract receivables	23	-	1,748	2,846	-	-
Amount owing by subsidiary companies	26	-	-	-	-	150,190
Cash and bank balances	27	220,488	38,103	29,135	220,488	10,450
		303,434	400,925	338,090	303,434	161,221
Assets classified as held for sale		-	-	22,005	-	-
Total Current Assets		303,434	400,925	360,095	303,434	161,221
Total Assets		303,434	607,045	573,497	303,434	184,101
EQUITY AND LIABILITIES						
Capital and Reserves						
Share capital	28	95,254	85,701	85,583	95,254	85,701
Reserves	29	206,791	125,051	103,495	206,791	56,874
Equity attributable to owners of the Company		302,045	210,752	189,078	302,045	142,575
Non-controlling interests		-	15,316	17,411	-	-
Total Equity		302,045	226,068	206,489	302,045	142,575

(Forward)

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2010

	← The Group →			The Company		
	Notes	31.12.2010 RM'000	31.12.2009 RM'000	1.1.2009 RM'000	2010 RM'000	2009 RM'000
Non-current and Deferred Liabilities						
Trade and other payables	31	-	27,624	21,462	-	600
Hire-purchase payables	32	-	857	1,002	-	-
Borrowings	33	-	31,974	21,368	-	15,625
Deferred pre-need funeral contract revenue	34	-	112,227	101,133	-	-
Deferred tax liabilities	24	-	116	2,688	-	-
Total Non-current and Deferred Liabilities		-	172,798	147,653	-	16,225
Current Liabilities						
Trade and other payables	31	1,348	191,148	156,672	1,348	2,572
Amount owing to subsidiary companies	26	-	-	-	-	17,104
Hire-purchase payables	32	-	594	647	-	-
Borrowings	33	-	13,048	40,754	-	5,625
Tax liabilities		41	3,389	1,543	41	-
		1,389	208,179	199,616	1,389	25,301
Liabilities directly associated with assets classified as held for sale		-	-	19,739	-	-
Total Current Liabilities		1,389	208,179	219,355	1,389	25,301
Total Liabilities		1,389	380,977	367,008	1,389	41,526
Total Equity and Liabilities		303,434	607,045	573,497	303,434	184,101

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2010

	Share Capital		Share Premium		Share Revaluation Reserve		Currency Translation Reserve		Share Option Reserve		Capital Redemption Reserve		Retained Earnings		Treasury Shares		Non-controlling Interests		Total Equity RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
The Group	85,583	179	7,842	(435)	683	1,582	93,644	-	-	-	189,078	17,411	206,489						
As of January 1, 2009	-	-	-	-	-	-	27,306	-	-	-	27,306	175	27,481						
Profit for the year	-	-	-	1,221	-	-	-	-	-	-	1,221	970	2,191						
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-						
Total comprehensive income for the year	-	-	-	1,221	-	-	27,306	-	-	-	28,527	1,145	29,672						
Disposal of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	(2,645)	(2,645)						
Subscription/Acquisition of shares in a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	300	300						
Additional acquisition of shares in subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	(706)	(706)						

(Forward)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2010

	← Attributable to owners of the Company →		← Non-distributable Reserves →				← Distributable Reserve →				Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Share Revaluation Reserve RM'000	Currency Translation Reserve RM'000	Share Option Reserve RM'000	Capital Redemption Reserve RM'000	Retained Earnings RM'000	Treasury Shares RM'000	Total RM'000	Non-controlling Interests RM'000		
The Group												
Dividend paid (Note 35)	-	-	-	-	-	-	(7,713)	-	(7,713)	-	-	(7,713)
Dividend paid by a subsidiary company to non-controlling interests	-	-	-	-	-	-	-	-	-	(189)	-	(189)
Share Buy-Back	-	-	-	-	-	-	-	(7)	(7)	-	-	(7)
Share options granted under ESOS	-	-	-	-	640	-	-	-	640	-	-	640
Cancellation of share options under ESOS	-	-	-	-	(123)	-	123	-	-	-	-	-
Issuance of ordinary shares, pursuant to ESOS (Notes 28 & 29)	118	159	-	-	(50)	-	-	-	227	-	-	227
As of December 31, 2009	85,701	338	7,842	786	1,150	1,582	113,360	(7)	210,752	15,316	226,068	

(Forward)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2010

The Group	Share Application Capital RM'000	Share Monies RM'000	Share Premium RM'000	Share Revaluation Reserve RM'000	Currency Translation Reserve RM'000	Share Option Reserve RM'000	Capital Redemption Reserve RM'000	Attributable to owners of the Company				Non- controlling Interests RM'000	Total Equity RM'000
								Retained Earnings RM'000	Treasury Shares RM'000	Total RM'000	Distributable Reserve		
As of January 1, 2010	85,701	-	338	7,842	786	1,150	1,582	113,360	(7)	210,752	15,316	226,068	
Effects of adopting FRS 139 (Note 2)	-	-	-	-	-	-	-	(624)	-	(624)	-	(624)	
As adjusted	85,701	-	338	7,842	786	1,150	1,582	112,736	(7)	210,128	15,316	225,444	
Profit for the year	-	-	-	-	-	-	-	82,342	-	82,342	1,793	84,135	
Other comprehensive income	-	-	-	-	(705)	-	-	-	-	(705)	(718)	(1,423)	
Total comprehensive income for the year	-	-	-	-	(705)	-	-	82,342	-	81,637	1,075	82,712	
Acquisition of remaining equity interest in a subsidiary company	-	-	-	-	-	-	-	(2,708)	-	(2,708)	-	(2,708)	

(Forward)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2010

	Attributable to owners of the Company										Distributable Reserve	Total Equity RM'000
	Share Capital RM'000	Share Application Monies RM'000	Share Premium RM'000	Share Revaluation Reserve RM'000	Currency Translation Reserve RM'000	Share Option Reserve RM'000	Capital Redemption Reserve RM'000	Retained Earnings RM'000	Treasury Shares RM'000	Non-controlling Interests RM'000		
The Group												
Dividend paid (Note 35)	-	-	-	-	-	-	(9,221)	-	-	(9,221)	-	(9,221)
Share Buy-Back	-	-	-	-	-	-	-	(6)	-	(6)	-	(6)
Sale of treasury shares (Note 29)	-	-	1	-	-	-	-	13	-	14	-	14
Share application monies received (Note 29)	-	1,000	-	-	-	-	-	-	-	1,000	-	1,000
Cancellation of share options under ESOS	-	-	-	-	-	(96)	-	-	-	-	-	-
Issuance of ordinary shares, pursuant to - ESOS (Notes 28 & 29)	1,003	-	1,719	-	-	(525)	-	-	-	2,197	-	2,197
- Private placement (Note 28)	8,550	-	10,535	-	-	-	-	-	-	19,085	-	19,085
Realisation upon the disposal (Note 42)	-	-	-	(7,842)	(81)	-	7,842	-	-	(81)	(16,391)	(16,472)
As of December 31, 2010	95,254	1,000	12,593	-	-	529	1,582	191,087	-	302,045	-	302,045

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2010

	Non-distributable Reserves				Distributable Reserve		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Share Option Reserve RM'000	Capital Redemption Reserve RM'000	Retained Earnings RM'000	Treasury Shares RM'000	
The Company							
As of January 1, 2009	85,583	179	683	1,582	41,957	-	129,984
Profit/Total comprehensive income for the year	-	-	-	-	19,444	-	19,444
Dividend paid (Note 35)	-	-	-	-	(7,713)	-	(7,713)
Share Buy-Back	-	-	-	-	-	(7)	(7)
Share options granted under ESOS	-	-	640	-	-	-	640
Cancellation of share options under ESOS	-	-	(123)	-	-	-	-
Issuance of ordinary shares, pursuant to ESOS (Notes 28 & 29)	118	159	(50)	-	123	-	-
As of December 31, 2009	85,701	338	1,150	1,582	53,811	(7)	142,575

(Forward)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2010

	Share Capital RM'000	Share Application Monies RM'000	Non-distributable Reserves				Capital Redemption Reserve RM'000	Distributable Reserve	Treasury Shares RM'000	Total Equity RM'000
			Share Premium RM'000	Share Option Reserve RM'000	Share Option Reserve RM'000	Retained Earnings RM'000				
The Company										
As of January 1, 2010	85,701	-	338	1,150	1,582	53,811	(7)	142,575		
Profit/Total comprehensive income for the year	-	-	-	-	-	146,401	-	146,401		
Dividend paid (Note 35)	-	-	-	-	-	(9,221)	-	(9,221)		
Share Buy-Back	-	-	-	-	-	-	(6)	(6)		
Sale of treasury shares (Note 29)	-	-	1	-	-	-	13	14		
Cancellation of share options under ESOS	-	-	-	(96)	-	96	-	-		
Issuance of ordinary shares pursuant to - ESOS (Note 28 & 29)	1,003	-	1,719	(525)	-	-	-	2,197		
- Private placement (Note 28)	8,550	-	10,535	-	-	-	-	19,085		
Share application monies received (Note 29)	-	1,000	-	-	-	-	-	1,000		
As of December 31, 2010	95,254	1,000	12,593	529	1,582	191,087	-	302,045		

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

	Notes	The Group		The Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES					
Profit before tax		95,854	37,519	155,365	26,093
Adjustments for:					
Depreciation and amortisation of property, plant and equipment		4,965	4,292	650	218
Share of profit of an associated company		(10)	(177)	-	-
Allowance for doubtful debts		1,355	1,330	-	-
Property, plant and equipment written off		26	112	7	-
Interest expense		2,240	3,042	707	1,178
Interest income		(1,315)	(449)	(1,870)	(2,024)
Goodwill written off		-	831	-	-
Impairment losses recognised on goodwill		-	3,037	-	-
Negative goodwill recognised		-	(230)	-	-
Gain on disposal of:					
Property, plant and equipment (net)		(210)	(50)	(5)	-
The Disposal		(48,741)	-	(109,078)	-
Discontinued operations		-	(4,395)	-	-
Associated company		(710)	-	(1,000)	-
Gross dividend income from subsidiary companies		-	-	(43,050)	(24,870)
Share-based payment expense		-	640	-	640
Operating Profit Before Working Capital Changes		53,454	45,502	1,726	1,235

(Forward)

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2010

	Notes	The Group		The Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
(Increase)/Decrease in:					
Inventories		990	(3,511)	-	-
Land and development expenditure		(8,477)	(28,951)	-	-
Plantation development expenditure		(1,447)	(526)	-	-
Trade and other receivables		(11,625)	(3,809)	173	181
Increase/(Decrease) in:					
Trade and other payables		52,435	47,028	(1,037)	615
Cash Generated From					
Operations		85,330	55,733	862	2,031
Interest paid		(2,240)	(3,042)	(707)	(1,178)
Income tax paid - net		(12,160)	(18,616)	(218)	(742)
Net Cash From/(Used In)					
Operating Activities		70,930	34,075	(63)	111
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES					
Proceeds from disposal of:					
Property, plant and equipment		322	130	5	-
Subsidiary companies		-	3,224	-	-
Associated company		5,000	-	5,000	-
The Disposal	42	129,214	-	217,081	-
Interest received		1,315	449	1,870	2,024
Additions to other investment		-	(90)	-	(90)
Acquisition of subsidiary companies	17	(20)	(1,456)	-	-
Additional investment in a subsidiary company		(2,708)	(476)	(3,894)	-
Dividends received		-	-	34,738	18,865
Additions to property, plant and equipment		(5,397)	(5,143)	(1,558)	(1,630)
Repayment (to)/from subsidiary companies		-	-	(34,960)	12,328
Net Cash From/(Used In)					
Investing Activities		127,726	(3,362)	218,282	31,497

(Forward)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

	Notes	The Group		The Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
CASH FLOWS FROM/(USED IN)					
FINANCING ACTIVITIES					
Share Buy-Back		(6)	(7)	(6)	(7)
Proceeds from shares issued to non-controlling interests of subsidiary companies		-	270	-	-
Proceeds from sale of treasury shares		14	-	14	-
Proceeds from exercise of ESOS		2,197	227	2,197	227
Proceeds from private placement		19,085	-	19,085	-
Proceeds from share application monies		1,000	-	1,000	-
Withdrawal of fixed deposits pledged		140	-	-	-
Dividend paid		(9,221)	(7,713)	(9,221)	(7,713)
Dividend paid to non-controlling interests of a subsidiary company		-	(189)	-	-
Deposits pledged to a licensed bank	27	-	(140)	-	-
Proceeds from borrowings		5,593	25,000	-	25,000
Repayment of borrowings		(34,624)	(42,100)	(21,250)	(38,750)
Repayment of hire-purchase and lease payables		(704)	(694)	-	-
Net Cash Used In Financing Activities		(16,526)	(25,346)	(8,181)	(21,243)
NET INCREASE IN CASH AND CASH EQUIVALENTS		182,130	5,367	210,038	10,365
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		37,963	30,677	10,450	85
Effect of exchange differences		395	1,919	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	27	220,488	37,963	220,488	10,450

Note : During the current financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM5,397,136 (2009: RM5,608,507) and RM1,557,984 (2009: RM1,629,948) respectively of which RM NIL (2009: RM465,601) of the Group was acquired under hire-purchase and lease arrangements. Cash payments for the acquisition of property, plant and equipment of the Group and the Company amounted to RM5,397,136 (2009: RM5,142,906) and RM1,557,984 (2009: RM1,629,948) respectively.

The cash flows of the Group in 2010 are in respect of the operations of the Group which have been discontinued following the disposal by the Company of its entire assets and liabilities as mentioned in Note 42 to the Financial Statements. When an operation is classified as a discontinued operation, the comparative figures are re-presented as if the operation had been discontinued from the start of the comparative period.

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is principally involved in investment holding and provision of management services. During the financial year, the Company disposed of its subsidiary companies pursuant to the disposal of the entire business and undertakings (including all the assets and liabilities) ("The Disposal") as disclosed in Note 42. The principal activities of the former subsidiary companies are set out in Note 17.

Upon the completion of The Disposal on December 30, 2010, the Company is now classified as a PN17 company in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). In addition, the Company is currently in the process of undertaking a restructuring scheme as part of its regularisation plan as disclosed in Note 42.

There have been no significant changes in the nature of the principal activities of the Company and its former subsidiary companies during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Securities. The registered office and principal place of business of the Company is located at Level 3A, Wisma NV Multi, No. 1, Jalan 1/116A, Off Jalan Sungai Besi, 57100 Kuala Lumpur.

The financial statements of the Group and the Company were authorised for issue by the Directors in accordance with a resolution of the Directors dated April 28, 2011.

2. BASIS OF ACCOUNTING

(A) Going concern

The financial statements are prepared on the basis of accounting principles applicable to a going concern not withstanding the completion of The Disposal as disclosed in Note 42 as the Company's principal activities are investment holding. The Company is in the midst of preparing the necessary submission to the relevant authorities for approval for its proposed restructuring scheme as disclosed in Note 42.

(B) Basis of preparation of the financial statements

The financial statements of the Group and the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

The new/revised accounting standards, amendments and improvements to published standards and interpretations that are effective and applicable for the Group's and the Company's financial year beginning January 1, 2010 are as follows:

FRS 7 Financial Instruments: Disclosures

Prior to January 1, 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

NOTES TO THE FINANCIAL STATEMENTS

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions of the standard. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group and the Company's financial statements for the year ended December 31, 2010.

FRS 8 Operating Segments

Prior to the adoption of FRS 8, the Group's segment reporting was based on geographical segments. FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This FRS did not have any impact on the financial position and results of the Group. Previously operating segments were determined and presented in accordance with FRS 114²⁰⁰⁴, Segment Reporting.

FRS 101 Presentation of Financial Statements (revised)

The FRS 101 introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative year following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This FRS did not have any impact on the financial position and results of the Group and of the Company.

Amendments to FRSs Improvements to FRSs (2009) - FRS 117 Leases

Upon adoption of this amendment, the Group had reassessed the classification of unexpired leases of land based on facts and circumstances existing on the date of adoption of this amendment.

FRS 117 clarifies on the classification of leases of land and buildings.

The resulting effect of this FRS taking effect was the retrospective classification of prepaid leases on land back into property, plant and equipment rather than being separately classified under prepaid lease payments on the consolidated statements of financial position. The effects arising from the adoption of this FRS are as follows:

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
As of January 1, 2009			
Non-current Assets			
Property, plant & equipment (Note 13)	38,929	2,067	40,996
Prepaid lease payments (Note 14)	2,067	(2,067)	-
As of December 31, 2009			
Non-current Assets			
Property, plant & equipment (Note 13)	40,393	2,033	42,426
Prepaid lease payments (Note 14)	2,033	(2,033)	-

NOTES TO THE FINANCIAL STATEMENTS

FRS 139 Financial Instruments: Recognition and Measurement

The Group and the Company have adopted FRS 139 prospectively on January 1, 2010 in accordance with the transitional provision in FRS 139. On that date, financial assets were classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Financial liabilities were either classified as financial liabilities at fair value through profit or loss or other financial liabilities (i.e. those financial liabilities which are not held for trading or designated at fair value through profit or loss upon initial recognition).

All financial assets and financial liabilities within the scope of FRS 139 are recognised and re-measured accordingly, with the related adjustments taken to opening retained earnings as of January 1, 2010. The impact on the financial position and results of the Group is as follows:

Impact on the opening balances

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as of December 31, 2009 are not restated. Instead, the changes have been accounted for by adjusting the following opening balances in the consolidated statements of financial position as of January 1, 2010.

The effects of adoption of FRS 139 on the opening reserves of the Group and other items of the consolidated statements of financial position as of January 1, 2010 are as follows:

	As of January 1, 2010 before the adoption of FRS 139 RM'000	Effects of adoption of FRS 139 RM'000	As of January 1, 2010 after the adoption of FRS 139 RM'000
Reserves	125,051	(624)	124,427
Non-current Assets			
Deferred tax assets	24,113	208	24,321
Current Assets			
Trade and other receivables	88,196	(4,093)	84,103
Current Liabilities			
Trade and other payables	191,148	(3,261)	187,887

NOTES TO THE FINANCIAL STATEMENTS

Financial Guarantee Contract

During the current and in prior years, the Company provided financial guarantees to banks in connection with bank loans and other banking facilities granted to its former subsidiary companies. Prior to January 1, 2010, the Company did not provide for such guarantees unless it was more likely than not that the guarantees would be called upon. The guarantees were disclosed as contingent liabilities. Upon the adoption of FRS 139, all unexpired financial guarantees issued by the Company are recognised as financial liabilities and are measured at their initial fair value less accumulated amortisation as of January 1, 2010. There is no material effect on the financial performance or position of the Group and of the Company.

Standards early adopted by the Group

FRS 3 Business Combinations (revised) has been adopted in the current financial year in advance of its effective date (business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after July 1, 2010). Its adoption has affected the accounting for business combinations in the current financial year.

In accordance with the relevant transitional provisions, this standard is applied prospectively to business combinations for which the acquisition date is on or after January 1, 2010 and therefore, no restatements will be required in respect of transactions prior to that date.

FRS 127 Consolidated and Separate Financial Statements (revised) has been adopted in advance of its effective date (annual periods beginning on or after July 1, 2010). The revisions to FRS 127 principally affect the accounting for transactions or events that result in a change in the Group's interests in its former subsidiary companies. The adoption of the revised standard has affected the accounting for the Group's acquisition of the remaining interest in NV Care Sdn Bhd during the financial year.

FRS 127 (revised) has been adopted for periods beginning on or after January 1, 2010 and has been applied retrospectively (subject to specified exceptions) in accordance with the relevant transitional provisions. The revised standard has affected the Group's accounting policies regarding changes in ownership interests in its subsidiary companies that do not result in a change in control. In prior years, in the absence of specific requirements in FRSs, increases in interests in existing subsidiary companies were treated in the same manner as the acquisition of subsidiary companies, with goodwill or a bargain purchase gain being recognised where appropriate; for decreases in interests in existing subsidiary companies that did not involve a loss of control, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss. Under FRS 127 (revised), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

In respect of the acquisition during the period of the Group's remaining interest in NV Care Sdn Bhd, the change in policy has resulted in the difference of RM2,708,000 between the consideration paid and the non-controlling interests recognised directly in equity, instead of in goodwill.

Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the following revised Financial Reporting Standards ("FRSs"), new Issue Committee Interpretations ("IC Interpretations"), Amendments to FRSs, Amendments to IC Interpretations that are expected to be relevant to the Group's and the Company's operations in future periods upon initial application have been issued but are not yet effective:

NOTES TO THE FINANCIAL STATEMENTS

Effective for annual periods commencing on or after March 1, 2010:

Amendments to FRS Financial Instruments: Presentation – Classification of Rights Issue
132

Effective for annual periods commencing on or after July 1, 2010:

FRS 1 First-time Adoption of Financial Reporting Standards (revised)
IC Interpretation 12 Service Concession Arrangements
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distribution of Non-cash Assets to Owners
Amendments to FRS 2 Share-based Payment – Scope of FRS 2 and revised FRS 3
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued
Operations – Plan to sell controlling interest in a subsidiary company
Amendments to FRS Intangible Assets – Additional consequential amendments arising from revised FRS 3
138
Amendments to IC Reassessment of Embedded Derivatives – Additional consequential amendments
Interpretation 9 arising from revised FRS 3

Effective for annual periods commencing on or after January 1, 2011:

IC Interpretation 4 Determining Whether an Arrangement Contains a Lease
IC Interpretation 18 Transfers of Assets from Customers
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative
FRS Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters
Amendments to FRS 2 Share-based Payment - Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7 Financial Instruments - Improving Disclosures about Financial Instruments

Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"

Effective for annual periods commencing on or after July 1, 2011:

IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC FRS 119 – The limit on a defined benefit asset, minimum funding requirements
Interpretation 14 and their interaction - Prepayments of a Minimum Funding Requirement

Effective for annual periods commencing on or after January 1, 2012:

FRS 124 Related Party Disclosures (revised)
IC Interpretation 15 Agreements for the Construction of Real Estate

The adoption of these Standards, IC Interpretations and their amendments are expected to have no material impact on the financial statements of the Group and the Company in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 4, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management is of the opinion that there are no key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as follows:

Development expenditure

The Group recognises sales of burial plots and urn compartments provided the contract is signed by the customer, a significant deposit of the invoice value is received, and the product is ready for delivery to the buyer; the corresponding cost of development (determined on a weighted average basis on total development cost) are charged to cost of sales when the product is ready for delivery. Total development cost consist of cost incurred to date plus estimated cost to complete. Significant judgement is required in the estimation of cost to complete as well as the recoverability of the development. Where the actual total development costs is different from the estimated total development costs, such difference will impact the cost of sales recognised.

Sinking fund

The Group establishes a sinking fund to defray future cost of pre-need funeral contracts. The amount to be set aside out of collections is determined by an independent actuarial consultant based on current cost of services offered and information obtained from the management. When projecting the cost of services for cases to be delivered in future, the actuarial consultant has allowed for expected increases in this cost due to inflation. The management will continue to monitor the cost of services and the assumptions used. In making this estimation, the Group evaluates based on their past experiences and by relying on the work of the consultant.

Impairment of goodwill on consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiary companies to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are disclosed in Note 25.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

NOTES TO THE FINANCIAL STATEMENTS

Allowance for doubtful debts

The Group assesses at each reporting date whether there is any objective evidence that receivables are impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics and allowances are made when necessary.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Group and the Company have been prepared under the historical cost convention.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its former subsidiary companies made up to December 31, 2010. Subsidiary companies are those companies in which the Group has a long-term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

Subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies in line with those used by other members of the Group.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflected external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

Non-controlling interests in subsidiary companies are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiary companies that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(c) Business Combinations

Acquisitions of subsidiary companies and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant FRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 (revised) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 Income Taxes and FRS 119 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

(d) Goodwill

Goodwill arising in a business combination represents the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

NOTES TO THE FINANCIAL STATEMENTS

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(e) Investments

All investments in unquoted shares of subsidiary and associated companies, which is eliminated on consolidation, is stated in the Company's financial statements at cost. When there is an indication of impairment in the value of the assets, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

(f) Associated Company

An associated company is defined as a company, not being a subsidiary or a joint venture, in which the Group is in the position to exercise significant influence over its financial and operating policies through management participation. An investment in associated company is accounted for in the consolidated financial statements using the equity method of accounting except when the investment is classified as held for sale, in which case it is accounted for in accordance with FRS 5.

Under the equity method, investment in associated company is carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associated company, less any impairment in the value of the investment. Losses of an associated company in excess of the Group's interest in the associated company (which includes any long-term interest that, in substance, form part of the Group's net investment in the associated company) is not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities recognised of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities recognised over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associated company of the Group, profit or loss is eliminated to the extent of the Group's interest in the relevant associated company.

The results and reserves of the associated company is taken from the latest available audited or management financial statements made up to December 31, 2010.

The investment in associated company is stated at cost less impairment losses, if any, in the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(g) Other Investments

Other investments in 2009 are stated at cost less impairment loss, if any. On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(h) Deferred Acquisition Cost

The costs of acquiring contracts for pre-need funeral services and construction of tomb are deferred until the revenue is recognised.

(i) Pre-need Funeral Contract Receivables and Revenue

Revenue from pre-need sales of funeral contract is deferred until the period in which the funeral is performed and the products and services are delivered. The full contract amount is included in deferred pre-need funeral contract revenue (liability) in the consolidated statements of financial position. The corresponding receivable due from the customer is reflected as pre-need funeral contract receivables, and the corresponding cash received from the customer is reflected part in sinking fund (for the portion placed in trust, for the purpose of defraying the future cost of delivering the funeral products and services, as determined by an independent actuarial consultant) and part in cash (for the portion the Group retains).

The costs to acquire the sales, primarily commissions incurred, are reflected in the statements of financial position as deferred acquisition cost (asset) and are charged to expense as the funeral services are performed and products are delivered. Indirect costs of marketing pre-need funeral contract revenue are expensed in the period in which they are incurred.

As the customer makes payments on the pre-need funeral contract, the portion of pre-need funeral contract receivables representing the receivable due from the customer declines, and the portion representing the receivable from the trust increases. Realised and unrealised earnings on the amounts held in trust represent a debit to the sinking fund and a credit to deferred pre-need funeral contract revenue and are not recognised as revenue until delivery of the products and services.

When the funeral product and service is delivered, the Group recognises as revenue the full contract amount and all trust earnings associated with that contract, with a corresponding reduction recorded to deferred pre-need funeral contract revenue. The Group debits cash with the amount removed from the trust that is attributable to the contract (consisting of the customer's payments and related realised earnings, all of which is withdrawn at that time) and records a corresponding reduction in the sinking fund. Associated deferred acquisition costs are expensed, and the actual expenses incurred in delivering the products and services are recognised.

NOTES TO THE FINANCIAL STATEMENTS

(j) Property, Plant and Equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy.

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised as a gain or loss in profit or loss.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

Depreciation

Short and long leasehold land and building is amortised over the term of the lease.

Depreciation of property, plant and equipment is calculated to write off the cost of property, plant and equipment to their estimated residual values on a straight line basis over the estimated useful lives as follows:

Short and long leasehold land and building	49 to 60 years
Furniture and fittings	5 to 10 years
Office equipment, computer systems and equipment	2 to 10 years
Motor vehicles	5 to 10 years
Plant and machinery	5 to 10 years
Office renovations	5 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end, with the effect of any changes in estimates accounted for on a prospective basis.

(k) Plantation Development Expenditure

Pre-cropping and new planting expenditure, which represents total cost incurred from land clearing, planting, field upkeep and maintenance to the point of harvesting is capitalised under plantation development expenditure. Plantation development expenditure is stated at cost less accumulated amortisation and impairment losses. They are amortised on a straight line basis upon the maturing of the root stock and crop respectively.

(l) Sinking Fund

A sinking fund is established for the purpose of defraying the future cost of pre-need funeral contracts of the Group. The amount to be set aside out of collections to meet these future costs is determined by an independent actuarial consultant. The monies in the fund are managed by a trustee.

NOTES TO THE FINANCIAL STATEMENTS

(m) Non-current Assets or Disposal Groups Held for Sale and Discontinued Operations

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The condition is regarded as met only when the assets or disposal groups are available for immediate sale in its present condition subject to terms that are usual and customary and the sale is highly probable.

Non-current assets or disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale has been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single coordinated major line of business or geographical area of operations or is a subsidiary company acquired exclusively with a view to resell. When an operation is classified as a discontinued operation, the comparative figures are re-presented as if the operation had been discontinued from the start of the comparative period.

(n) Inventories and Development Expenditure

- (i) Inventories are valued at lower of cost and net realisable value. In general, cost is determined on a first-in, first-out basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of realisation and where appropriate, the cost of conversion from their existing state to a finished condition.
- (ii) Land held for interment purpose and its related development expenditure where no development activities have been carried out or where development activities are not expected to be completed or realised within the normal operating cycle is classified as non-current asset and is stated at cost less accumulated impairment losses, if any.
- (iii) Land held for interment purposes and its related development expenditure where development activities have commenced and it can be demonstrated that the development activities can be completed or realised within the normal operating cycle are valued at the lower of cost and net realisable value. Land costs consist of cost of the land plus incidental expenses incurred in bringing the land to the present condition.
- (iv) Development expenditure is stated at cost and consists of all direct construction costs and appropriate development overheads.

(o) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate except for short term receivables when the recognition of interest would be immaterial. The impairment is established when there is objective evidence that the Group will not be able to collect all amounts due in one year or less (or in the normal operating cycle of the business if longer).

NOTES TO THE FINANCIAL STATEMENTS

(p) Cash and Cash Equivalents

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash and cash equivalents consist of cash on hand and at bank, deposits with licensed financial institutions, bank overdraft and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts, if any.

(q) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present legal and constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(r) Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method with interest expense recognised on an effective yield basis.

(s) Hire-Purchase Assets

The cost of the property, plant and equipment acquired under hire-purchase arrangements which in substance transfer the risk and benefits of ownership of the property, plant and equipment to the Group are capitalised.

Property, plant and equipment are recorded at the lower of hire-purchase payments or the fair value of the hire-purchase assets at the beginning of the respective hire-purchase terms less accumulated depreciation. Property, plant and equipment acquired under such arrangement are depreciated over the useful lives of equivalent owned assets.

Outstanding obligations due under hire-purchase arrangements after deducting finance expenses are included as liabilities in the financial statements. Finance charges on hire-purchase are allocated to profit or loss so as to give a constant periodic rate of interest on the outstanding liability at the end of the financial year.

(t) Share Buy-Back

When shares are repurchased and held as treasury shares, the amount of the consideration paid, including directly attributable costs, is recognised as cost and set off against equity.

When shares are repurchased and cancelled, the nominal value of the shares repurchased is cancelled by a debit to share capital and an equivalent amount is transferred to capital redemption reserve. The consideration, including any acquisition cost and premium or discount arising from the shares repurchased, is adjusted to share premium or any other suitable reserve.

When such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental external cost and the related tax effects, is recognised in equity.

NOTES TO THE FINANCIAL STATEMENTS

(u) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income, if any, earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(v) Income Taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted by the end of the reporting period.

Deferred tax is provided for, using the "liability" method, on temporary differences at the date of the statements of financial position between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

(w) Revenue Recognition

Revenue from bereavement care is recognised on the following bases:

- (i) Sales of burial plots, urn compartments and ancestral tablets are recognised on accrual basis, provided the contract is signed by the customer, a significant deposit of the invoice value is received, and the product is ready for delivery to the buyer;
- (ii) Sales of tombs are recognised upon significant completion of each contract;
- (iii) Sales of funeral packages are recognised when the funeral is performed and the products and services are delivered as described in Note 4 (i);
- (iv) Sales of goods are recognised when the risks and rewards of ownership have passed to the customers. Sales represent gross invoiced value of goods sold less discounts and rebate; and
- (v) Revenue from services rendered is recognised net of service taxes and discount as and when the services are performed.

NOTES TO THE FINANCIAL STATEMENTS

Management fees represent gross billings to subsidiary companies for management services rendered and are recognised on accrual basis.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised in the profit or loss as it accrues, taking into account the effective yield on the asset.

(x) Foreign Currencies

(i) Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Ringgit Malaysia ("RM"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

(iii) Financial statements of foreign operations

For the purposes of presenting consolidated financial statements, the financial statements of former subsidiary companies expressed in foreign currencies are translated into Ringgit Malaysia as follows:

Assets and liabilities - at closing rates prevailing at the end of reporting period
Revenue and expenses - at average rates for the period

Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interest as appropriate). In the case of a partial disposal (i.e. no loss of control) of a subsidiary company that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate.

NOTES TO THE FINANCIAL STATEMENTS

(y) Employee Benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued for in the period in which the associated services are rendered by employees of the Group.

(ii) Post-employment benefits

The Group makes statutory contributions to approved provident funds and such contributions are charged to profit or loss in the period to which the said contributions relate. Once the contributions have been paid, the Group has no further payment obligations. The post-employment benefit schemes are in accordance with the local conditions and practices in which it operates and are defined contribution retirement plans.

(iii) Share-based compensation

Under the Company's Employees Share Option Scheme ("ESOS"), share options to acquire ordinary shares of the Company are granted to eligible employees of the Group. Details of the Company's ESOS are disclosed in Note 30. The ESOS, an equity-settled share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the share options will vest.

The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the share options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of share options that are expected to become exercisable on vesting date.

At the end of each reporting period, the Group revises its estimates of the number of share options that are expected to become exercisable on the vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to share option reserve. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the share option expires or is cancelled, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the share options are exercised.

(z) Impairment

(i) Financial assets

All financial assets (except for investments in subsidiary companies) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. When a loan and receivable become uncollectible, it is written off against the allowance account.

NOTES TO THE FINANCIAL STATEMENTS

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Non-financial assets other than goodwill

The carrying amounts of non-financial assets (except for inventories and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro-rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss in the period in which the reversals are recognised.

NOTES TO THE FINANCIAL STATEMENTS

(aa) Financial Instruments

(I) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(II) Financial instrument categories and subsequent measurement

The Group and the Company categorise and measure financial instruments as follows:

Financial assets

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss category comprises financial assets that are held for trading or financial assets that are specifically designated into this category upon initial recognition.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market (including fixed deposits with financial institutions) and loans and receivables.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 4 (z)).

Financial liabilities

All financial liabilities are initially measured at fair value and subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(III) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income shall be recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(ab) Segmental Information

In the previous years, a segment was a distinguishable component of the Group that was engaged in providing products or services within a particular economic environment (geographical segment) which was subject to risks and rewards that were different from those of other segments.

Following the adoption of FRS 8, Operating Segments, operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Group's Managing Director that makes strategic decisions.

Segment reporting is presented for enhanced assessment of the Group's and of the Company's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

5. REVENUE

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Bereavement care	272,399	228,360	-	-
Management fees from former subsidiary companies	-	-	13,077	13,198
Dividend income (gross) from former subsidiary companies	-	-	43,050	24,020
Dividend income (gross) - Preference share dividend from a former subsidiary company	-	-	-	850
	<u>272,399</u>	<u>228,360</u>	<u>56,127</u>	<u>38,068</u>

NOTES TO THE FINANCIAL STATEMENTS

6. OPERATING COSTS APPLICABLE TO REVENUE

Included in the profit before tax are the following operating costs classified by nature, applicable to revenue:

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Raw materials, consumables and services used	50,333	56,232	-	-
Changes in inventories of finished goods and work-in-progress	2,065	(2,774)	-	-
Land and development expenditure recognised	41,587	24,499	-	-
Salaries, wages and bonuses	20,069	18,539	3,921	4,832
Employees Provident Fund contribution	2,573	2,126	493	629
Share-based payment expense - ESOS	-	584	-	216
Other employee benefits	3,799	3,465	459	590

7. PROFIT FROM OPERATIONS

Profit from operations has been arrived at after charging/(crediting):

	Notes	The Group		The Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Directors' remuneration	8	3,757	2,659	2,763	2,372
Allowance for doubtful debts		1,355	1,330	-	-
Auditors' remuneration:					
Statutory		362	278	28	28
Others		38	8	38	8
Rental of:					
Land		24	20	-	-
Equipment		157	279	19	23
Rental of premises payable to:					
Subsidiary company		-	-	880	1,069
A director of a subsidiary company		53	50	-	-
Others		774	1,254	-	-
Property, plant and equipment written off		26	112	7	-

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

	Notes	The Group		The Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Depreciation and amortisation of property, plant and equipment	13	4,965	4,292	650	218
Gain on disposal of:					
Subsidiary companies		-	(4,395)	-	-
Property, plant and equipment - net		(210)	(50)	(5)	-
Associated company		(710)	-	(1,000)	-
The Disposal	42	(48,741)	-	(109,078)	-
Rental income		(141)	(142)	-	-
Interest income from:					
Subsidiary companies		-	-	(1,130)	(1,871)
Customers		(7)	(6)	-	-
Negative goodwill recognised	17	-	(230)	-	-
Goodwill written off	25	-	831	-	-
Impairment losses recognised on goodwill	25	-	3,037	-	-
Net foreign exchange differences:					
Gain		(555)	(31)	-	-

8. DIRECTORS' REMUNERATION

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Executive Directors of the Company:				
Fees	595	210	-	-
Salaries	1,408	1,392	1,293	1,392
Bonus	875	353	776	353
Other emoluments	128	79	54	2
Share-based payment expense	-	43	-	43
Employees Provident Fund contribution	425	333	394	333
	3,431	2,410	2,517	2,123

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-executive Directors of the Company:				
Fees	250	219	220	219
Share-based payment expense	-	13	-	13
Other emoluments	76	17	26	17
	<hr/>	<hr/>	<hr/>	<hr/>
	326	249	246	249
	<hr/>	<hr/>	<hr/>	<hr/>
	3,757	2,659	2,763	2,372

The estimated monetary value of benefits-in-kind received and receivable by the Directors from the Group and the Company amounted to RM121,408 (2009: RM141,364) and RM103,089 (2009: RM120,084) respectively.

9. FINANCE COSTS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Interest on:				
Revolving credit	90	188	-	-
Bank overdraft	-	4	-	4
Term loan	1,107	1,818	707	1,174
Hire-purchase	112	104	-	-
Advance from non-controlling interests	931	928	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,240	3,042	707	1,178

10. INCOME FROM OTHER INVESTMENTS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Interest income from short-term funds and deposits	1,315	455	740	153

NOTES TO THE FINANCIAL STATEMENTS

11. INCOME TAX EXPENSE

	The Group		The Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Income tax recognised in profit or loss				
Current income tax:				
Malaysian:				
Current year	16,156	13,507	8,920	6,700
(Over)/Underprovision in prior years	(408)	6,066	44	(51)
Foreign:				
Current year	1,782	567	-	-
Underprovision in prior years	313	-	-	-
	17,843	20,140	8,964	6,649
Deferred tax (Note 24):				
Malaysian:				
Current year	(5,996)	(3,714)	-	-
Underprovision in prior year	(128)	(6,388)	-	-
	(6,124)	(10,102)	-	-
Total income tax expense	11,719	10,038	8,964	6,649
Income tax recognised in other comprehensive income				
Deferred tax:				
Arising on income and expenses recognised in other comprehensive income:				
Translation of foreign operations	83	-	-	-

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

A numerical reconciliation of income tax expense applicable to the profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit before tax	95,854	37,519	155,365	26,093
Tax at applicable statutory tax rate of 25% (2009: 25%) on chargeable income	23,964	9,380	38,841	6,523
Tax effects of:				
Income that are not taxable in determining taxable profit	(14,619)	(2,109)	(30,110)	(38)
Expenses that are not deductible in determining taxable profit	2,618	3,634	189	385
Effect of different tax rates in other jurisdictions	(20)	(268)	-	-
Deferred tax asset not recognised	-	(277)	-	-
Group relief on current year tax losses	-	-	-	(135)
(Over)/Underprovision in prior years	(224)	(322)	44	(86)
Tax expense for the year	11,719	10,038	8,964	6,849

As of December 31, 2009, certain former subsidiary companies have tax exempt income amounting to approximately RM1,524,000 arising from chargeable income on which income tax has been waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999. These tax exempt income accounts, subject to approval by the tax authorities, are available for the distribution of tax exempt dividends to the shareholders of the former subsidiary companies without attracting any further tax liabilities.

12. EARNINGS PER SHARE (EPS)

(a) Basic EPS

The basic earnings is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:

	The Group	
	2010 RM'000	2009 RM'000
Profit attributable to owners of the Company	82,342	27,306

NOTES TO THE FINANCIAL STATEMENTS

	The Group	
	2010 Units '000	2009 Units '000
Weighted average number of ordinary shares in issue	363,624	342,554
	2010	2009
Basic EPS (sen)	22.64	7.97

(b) Diluted EPS

For the purpose of calculating diluted EPS, profit for the year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees.

	The Group	
	2010 RM'000	2009 RM'000
Profit attributable to owners of the Company	82,342	27,306
	2010 Units '000	2009 Units '000
Weighted average number of ordinary shares in issue	363,624	342,554
Effect of dilution of share options	1,040	303
Adjusted weighted average number of ordinary shares in issue and issuable	364,664	342,857
	2010 RM	2009 RM
Diluted EPS (sen)	22.58	7.96

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT

The Group 2010	As of 1.1.2010		As of restarted RM'000	Currency translation differences RM'000	Additions RM'000	Disposals/ Written off RM'000	Reclassifications/ Adjustments RM'000	The Disposal (Note 42) RM'000	As of 31.12.2010 RM'000
	As previously reported RM'000	Effect of adoption of amendments to FRS 117 (Note 14) RM'000							
Cost									
Long leasehold land	-	2,423	2,423	-	-	-	-	(2,423)	-
Short leasehold building	30,751	-	30,751	(62)	-	-	-	(30,689)	-
Plant and machinery	1,590	-	1,590	-	27	(3)	-	(1,614)	-
Furniture and fittings	6,455	-	6,455	(11)	465	(17)	-	(6,892)	-
Office equipment, computer systems and equipment	12,525	-	12,525	(44)	1,185	(251)	-	(13,415)	-
Cabin	80	-	80	(2)	-	-	-	(78)	-
Office renovations	3,474	-	3,474	(23)	421	(29)	2,874	(6,717)	-
Motor vehicles	10,807	-	10,807	(40)	1,925	(1,861)	267	(11,098)	-
Motor vehicles under hire-purchase	5,011	-	5,011	(18)	-	-	(267)	(4,726)	-
Building under construction	1,500	-	1,500	-	1,374	-	(2,874)	-	-
Total	72,193	2,423	74,616	(200)	5,397	(2,161)	-	(77,652)	-

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

The Group 2010	As of 1.1.2010 Effect of adoption of amendments to FRS 117 (Note 14) RM'000	As previously reported RM'000	As restated RM'000	Currency translation differences RM'000	Charge for the year RM'000	Disposals/ Written off RM'000	Reclassifications/ Adjustments RM'000	The Disposal (Note 42) RM'000	As of 31.12.2010 RM'000	Net Book Value 31.12.2010 RM'000
Accumulated Depreciation										
Long leasehold land	390	-	390	-	41	-	-	(431)	-	-
Short leasehold building	-	4,289	4,289	(22)	759	-	-	(5,026)	-	-
Plant and machinery	-	1,122	1,122	1	113	(1)	-	(1,235)	-	-
Furniture and fittings	-	4,139	4,139	-	550	(6)	-	(4,683)	-	-
Office equipment, computer systems and equipment	-	9,613	9,613	(22)	941	(215)	-	(10,317)	-	-
Cabin	-	52	52	(1)	6	-	-	(57)	-	-
Office renovations	-	2,666	2,666	(6)	760	(24)	-	(3,396)	-	-
Motor vehicles	-	8,559	8,559	(20)	1,046	(1,777)	154	(7,962)	-	-
Motor vehicles under hire-purchase	-	1,360	1,360	(1)	749	-	(154)	(1,954)	-	-
Building under construction	-	-	-	-	-	-	-	-	-	-
Total	390	31,800	32,190	(71)	4,965	(2,023)	-	(35,061)	-	-

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

The Group 2009	As of 1.1.2009		As previously reported RM'000	Effect of adoption of amendments to FRS 117 (Note 14)		As restated RM'000	Currency translation differences RM'000	Additions RM'000	Disposals/ Written off RM'000	Reclassifications/ Adjustments RM'000	The Disposal (Note 42) RM'000	As of 31.12.2009 RM'000
	←	→		←	→							
Cost												
Long leasehold land		2,423	-		2,423	-	-	-	-	-	-	2,423
Short leasehold building		-	30,604		30,604	147	-	-	-	-	-	30,751
Plant and machinery		-	1,362		1,362	-	8	33	(8)		195	1,590
Plant and machinery under lease		-	550		550	-	3	-	-	(553)		-
Furniture and fittings		-	6,384		6,384	-	296	15	(9)		(231)	6,455
Office equipment, computer systems and equipment		-	10,656		10,656	56	982	50	(158)		939	12,525
Cabin		-	78		78	2	-	-	-		-	80
Office renovations		-	3,559		3,559	(2)	100	23	(99)		(107)	3,474
Motor vehicles		-	8,683		8,683	48	2,092	59	(508)		433	10,807
Motor vehicles under hire-purchase		-	4,878		4,878	4	627	-	(78)		(420)	5,011
Building under construction		-	-		-	-	1,500	-	-		-	1,500
Total		2,423	66,754		69,177	255	5,608	180	(860)		256	74,616

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

The Group
2009

← As of 1.1.2009 →
Effect of
adoption of
amendments
to FRS 117
(Note 14)

	As previously reported RM'000	As amended to FRS 117 (Note 14) RM'000	As restated RM'000	Currency translation differences RM'000	Charge for the year the year RM'000	Disposals/ Written off RM'000	Reclassifications/ Adjustments RM'000	The Disposal (Note 42) RM'000	As of 31.12.2009 RM'000	Net Book Value 31.12.2009 RM'000
Accumulated Depreciation										
Long leasehold land	-	356	356	-	34	-	-	-	390	2,033
Short leasehold building	3,489	-	3,489	44	756	-	-	-	4,289	26,462
Plant and machinery	891	-	891	-	61	27	(2)	145	1,122	468
Plant and machinery under lease	82	-	82	-	55	-	-	(137)	-	-
Furniture and fittings	3,547	-	3,547	-	598	11	(4)	(13)	4,139	2,316
Office equipment, computer systems and equipment	8,498	-	8,498	34	904	41	(62)	198	9,613	2,912
Cabin	44	-	44	2	6	-	-	-	52	28
Office renovations	2,410	-	2,410	(1)	246	18	(99)	92	2,666	808
Motor vehicles	8,237	-	8,237	31	947	-	(470)	(186)	8,559	2,248
Motor vehicles under hire-purchase	627	-	627	4	625	45	(31)	90	1,360	3,651
Building under construction	-	-	-	-	-	-	-	-	-	1,500
	27,825	356	28,181	114	4,232	142	(668)	189	32,190	42,426
Depreciation related to assets held for sale in prior year	-	-	-	-	60	-	-	-	-	-
Total	27,825	356	28,181	114	4,292	142	(668)	189	32,190	42,426

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

The Company 2010	As of 1.1.2010 RM'000	Additions RM'000	Disposals/ Written off RM'000	As of 31.12.2010 RM'000	As of 31.12.2010 RM'000	Net Book Value 31.12.2010 RM'000
Cost						
Office equipment, computer systems and equipment	1,415	194	(1,609)	-	-	-
Motor vehicles	5	-	(5)	-	-	-
Office renovations	1,546	1,364	(2,910)	-	-	-
Total	2,966	1,558	(4,524)	-	-	-
Accumulated Depreciation						
Office equipment, computer systems and equipment	978	168	(1,146)	-	-	-
Motor vehicles	5	-	(5)	-	-	-
Office renovations	26	482	(508)	-	-	-
Total	1,009	650	(1,659)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

2009	As of 1.1.2009 RM'000	Additions RM'000	As of 31.12.2009 RM'000
Cost			
Office equipment, computer systems and equipment	1,285	130	1,415
Motor vehicles	5	-	5
Office renovations	46	1,500	1,546
Total	1,336	1,630	2,966

Accumulated Depreciation	As of 1.1.2009 RM'000	Charge for the year RM'000	As of 31.12.2009 RM'000	Net Book Value 31.12.2009 RM'000
Office equipment, computer systems and equipment	769	209	978	437
Motor vehicles	5	-	5	-
Office renovations	17	9	26	1,520
Total	791	218	1,009	1,957

Also included in property, plant and equipment of the Group and the Company in 2009 are fully depreciated plant, machinery and equipment which are still in use, with an aggregate cost of approximately RM11,764,757 and RM557,581 respectively.

14. PREPAID LEASE PAYMENTS

	31.12.2010 RM'000	The Group 31.12.2009 RM'000	1.1.2009 RM'000
Cost:			
At beginning of year:			
As previously reported	2,423	2,423	2,423
Effects of adoption of amendments to FRS 117 (Note 13)	(2,423)	(2,423)	(2,423)
As restated / At beginning and end of year	-	-	-
Accumulated amortisation:			
At beginning of year:			
As previously reported	390	356	322
Effects of adoption of amendments to FRS 117 (Note 13)	(390)	(356)	(322)
As restated / At beginning and end of year	-	-	-
Net prepaid lease payments	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

15. PLANTATION DEVELOPMENT EXPENDITURE

	The Group	
	2010 RM'000	2009 RM'000
Land clearing and related expenditure	-	526

16. INVENTORIES, LAND AND DEVELOPMENT EXPENDITURE

a. Inventories	The Group	
	2010 RM'000	2009 RM'000
At cost:		
Raw materials	-	1,027
Work in progress	-	16,010
Finished goods	-	788
Funeral stocks	-	2,254
	-	20,079

b. Land and development expenditure

	The Group	
	2010 RM'000	2009 RM'000
Land under development	-	78,063
Development expenditure	-	236,334
	-	314,397
Less : Land and development expenditure - Portion due after 12 months		
Land under development	-	(48,369)
Development expenditure	-	(15,346)
	-	(63,715)
	-	250,682

The land under development in 2009 included interest capitalised of RM43,542.

NOTES TO THE FINANCIAL STATEMENTS

17. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2010 RM'000	2009 RM'000
Unquoted shares, at cost:		
At beginning of year	16,319	16,319
Addition during the year	3,894	-
The Disposal (Note 42)	(20,213)	-
	-	-
At end of year	-	16,319
Accumulated impairment losses:		
At beginning of year	1,356	1,356
The Disposal (Note 42)	(1,356)	-
	-	-
At end of year	-	1,356
5% Redeemable Convertible Preference Shares of USD1.00 each		
At beginning of year	1,659	1,659
Redemption during the year	(1,659)	-
	-	-
At end of year	-	1,659
	-	16,622

The former subsidiary companies are as follows:

Former direct subsidiary companies of the Company

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
Asia Premier Propartners Sdn. Bhd.	Malaysia	-	100	Provision of management services
Genting Jelas Sdn. Bhd.	Malaysia	-	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
Nirvana Memorial Park Sdn. Bhd.	Malaysia	-	100	Development of rest park, construction and sales of tombs
Nir-Warna Development Sdn. Bhd.	Malaysia	-	100	Earthworks, construction, and sales of tombs
Nir-Warna Marketing Sdn. Bhd.	Malaysia	-	51	Dormant
NV Alliance Sdn. Bhd.	Malaysia	-	100	Marketing agent of burial plots, urn compartments and pre-need funeral packages
NV Propartners Sdn. Bhd. (formerly known as NV Card Services Sdn. Bhd.)	Malaysia	-	100	Provision of management services
NV Care Sdn. Bhd.	Malaysia	-	85	Sales of funeral packages
NV International (L) Limited	Labuan	-	100	Investment holding
NV Multi Capital Sdn. Bhd.	Malaysia	-	80	Investment holding
NV Multi Corporation (Hong Kong) Limited *	Hong Kong	-	100	Investment holding
NV Multi Corporation (Singapore) Pte. Ltd. *	Singapore	-	100	Investment holding
NV Multi Resources Sdn. Bhd.	Malaysia	-	100	Investment holding
Oasis City Holdings Limited *	British Virgin Islands	-	100	Dormant
Rantau Delima Sdn. Bhd.	Malaysia	-	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS

Former indirect subsidiary companies of the Company

(a) Subsidiary companies of Nirvana Memorial Park Sdn. Bhd.

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
Melati Aman Sdn. Bhd.	Malaysia	-	70	Rubber planting and estate management
Nirvana Memorial Park (Johor) Sdn. Bhd.	Malaysia	-	100	Development of rest park, construction and sales of tombs
Nirvana Memorial Park (Klang) Sdn. Bhd.	Malaysia	-	100	Dormant
Nirvana Memorial Park (Sabah) Sdn. Bhd.	Malaysia	-	100	Development of rest park, construction and sales of tombs and sales of funeral packages
Nirvana Memorial Park (Shah Alam) Sdn. Bhd.	Malaysia	-	100	Development of rest park, construction and sales of tombs
Nirvana Memorial Park (Sibu) Sdn. Bhd.	Malaysia	-	100	Development of rest park, construction and sales of tombs and sales of funeral packages
Nirvana Memorial Park (Tiram) Sdn. Bhd.	Malaysia	-	70	Development of rest park, construction and sales of tombs

(b) Subsidiary company of Nirvana Memorial Park (Shah Alam) Sdn. Bhd.

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
Meridian Vision Sdn. Bhd.*	Malaysia	-	100	Struck off in March 2010 under Section 308 of Companies Act, 1965

NOTES TO THE FINANCIAL STATEMENTS

(c) Subsidiary companies of NV Care Sdn. Bhd.

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
Nirvana Memorial Park (Kulai) Sdn. Bhd. (formerly known as NV Care (Johor) Sdn. Bhd.)	Malaysia	-	100	Development of rest park, construction and sales of tombs
NV Care (Penang) Sdn. Bhd.	Malaysia	-	80	Investment holding
Pinang Sepadan Sdn. Bhd.	Malaysia	-	100	Investment holding
PJMC Sdn. Bhd.	Malaysia	-	100	Dormant

(d) Subsidiary company of NV Care (Penang) Sdn. Bhd.

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
Eight Eleven Services Sdn. Bhd.	Malaysia	-	51	Sales of funeral services

(e) Subsidiary company of PJMC Sdn. Bhd.

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
Nirvana Memorial Park (Segamat) Sdn. Bhd. (formerly known as Istawa Sdn. Bhd.)	Malaysia	-	100	Development of rest park, construction and sales of tombs

NOTES TO THE FINANCIAL STATEMENTS

(f) Subsidiary company of NV Multi Capital Sdn. Bhd.

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
NV Multi Corporation (Taiwan) Ltd. *	Taiwan	-	51	Investment holding

(g) Subsidiary company of NV Multi Corporation (Taiwan) Ltd.

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
Chiuan An Tai Development Co. Ltd. *	Taiwan	-	90	Investment holding

(h) Subsidiary companies of NV Multi Corporation (Hong Kong) Limited

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
Harvest China Holdings Limited *	Hong Kong	-	95	Investment in real and personal property
NV Care (HK) Co Limited *	Hong Kong	-	71	Dormant
NV Mauritius Limited *	Republic of Mauritius	-	100	Dissolved on October 25, 2010 under Section 265(5) of the Mauritius Companies Act, 1984
NV Overseas Ltd.	Labuan	-	60	Dormant

NOTES TO THE FINANCIAL STATEMENTS

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
PT Alam Hijau Lestari *	Indonesia	-	51	Development of rest park, construction and sales of tombs
(i) Subsidiary company of NV Multi Corporation (Singapore) Pte. Ltd.				
Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
Nirvana Memorial Garden Pte. Ltd. *	Singapore	-	70	Marketing agent of bereavement products and services
(j) Subsidiary company of Nirvana Memorial Garden Pte. Ltd.				
Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
Mount Prajna Limited *	Singapore	-	@	Own and operate a columbarium and sales of niches and related services
@ Mount Prajna Limited is a company limited by guarantee. It is deemed to be a subsidiary company of the Group by virtue of its power to exercise control over the financial and operating policies so as to obtain benefits therefrom.				
(k) Subsidiary company of NV Multi Resources Sdn. Bhd.				
Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
NV Multi (Cambodia) Co., Ltd. *#	Cambodia	-	49	Sales and development of the rest park, construction and sales of tombs

NOTES TO THE FINANCIAL STATEMENTS

NV Multi (Cambodia) Co., Ltd. is deemed to be a subsidiary company of the Group by virtue of its power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

* Audited by other firms of auditors.

- (i) On March 15, 2010, the Company subscribed for an additional 499,900 ordinary shares in NV Multi Corporation (Singapore) Pte. Ltd., a former wholly-owned subsidiary company of the Company for a total consideration of SGD499,900 or equivalent to RM1,186,000.
- (ii) On April 23, 2010, the Company acquired the remaining 15% equity interests in NV Care Sdn. Bhd. for a cash consideration of RM2,708,000.
- (ii) On June 18, 2010, Nirvana Memorial Park Sdn. Bhd., a former wholly-owned subsidiary of the Company acquired 2 ordinary shares of RM1.00 each representing 100% equity interests in Spektrum Karisma Sdn. Bhd. at a cash consideration of RM20,000. The goodwill arising on this acquisition is disclosed in Note 25.

As disclosed in Note 42, the Company completed The Disposal on December 30, 2010 and with effect from this date, the Company no longer has any interest in the above subsidiary companies.

The effect of The Disposal on the financial position of the Group is as disclosed in Note 42.

The effects of the acquisitions in Nirvana Memorial Park (Tiram) Sdn. Bhd. ("NIRT") and Melati Aman Sdn. Bhd. ("MA") in 2009 on the financial position of the Group are as follows:

	2009 RM'000
Purchase consideration - cash consideration	1,470
Net liabilities acquired before fair value adjustment	<u>61</u>
Fair value adjustment	-
Fair value of net liabilities acquired	<u>61</u>
Goodwill	<u>1,531</u>
Assets:	
Property, plant and equipment	38
Inventories and development expenditure	3,517
Trade and other receivables	<u>464</u>
	<u>4,019</u>

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

	2009 RM'000
Liabilities:	
Hire-purchase payables	(21)
Trade and other payables	(3,972)
Tax liabilities	(70)
Deferred tax liabilities	(1)
	<u>(4,064)</u>
Net liabilities acquired as at date of acquisition	(45)
Cash and bank balances	<u>19</u>
Fair value of net liabilities acquired	(26)
Non-controlling interest	<u>(30)</u>
Group's share of net liabilities	(56)
Goodwill	<u>1,531</u>
Portion satisfied by cash	1,475
Less: Cash and bank balances	<u>(19)</u>
Cash outflow on acquisitions	<u>1,456</u>

Goodwill from the acquisition in subsidiary companies is attributable to the anticipated profitability of the future operations in the new markets.

The effects of the acquisition of NIRT and MA on the Group's financial results for the year are as follows:

	2009 RM'000
Revenue	<u>1,341</u>
Net loss for the period/Decrease in Group's net profit	<u>(142)</u>

MA did not contribute any revenue to the Group in 2009 as the plantation activity is still in its preliminary stage.

Had the above acquisitions taken effect at the beginning of 2009, the revenue and profit before tax of the Group in 2009 would have been approximately RM228,289,000 and RM37,086,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

18. INVESTMENT IN AN ASSOCIATED COMPANY

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unquoted shares, at cost	-	4,000	-	4,000
Share of post-acquisition profits	-	280	-	-
	-	4,280	-	4,000

The summarised financial information based on the unaudited financial statements of the associated company is as follows:

	The Group 2009 RM'000
Total assets	31,117
Total liabilities	(9,120)
Net assets	21,997
Total revenue	10,681
Total profit for the year	887

Details of the associated company are as follows:

Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activity
		2010 %	2009 %	
Life Care International Medical Group Sdn. Bhd.	Malaysia	-	20	Trading of medical equipment, provision of medical consultancy and management services.

On March 29, 2010, the Company disposed of its entire equity interests representing 4 million ordinary shares of RM1.00 each in Life Care International Medical Group Sdn. Bhd. ("LIMG") to Ong Care Scan Sdn. Bhd. for a cash consideration of RM5 million with a gain of RM709,835.

NOTES TO THE FINANCIAL STATEMENTS

19. OTHER INVESTMENTS

	The Group and The Company	
	2010 RM'000	2009 RM'000
Club memberships at cost		
At beginning of year	301	211
Addition	-	90
The Disposal (Note 42)	(301)	-
At end of year	-	301
Market value	-	668

20. SINKING FUND

	The Group	
	2010 RM'000	2009 RM'000
At beginning of year	30,012	19,601
Additions net of withdrawals during the year	1,321	1,524
Realised and unrealised gains during the year	2,826	8,887
The Disposal (Note 42)	(34,159)	-
At end of year	-	30,012

The funds which were managed by an independent trustee were invested in properties, equity securities, fixed income securities and unit trust fund. The outstanding amount payable by the Group to the Trustee to meet the sinking fund requirement was approximately RM277,000 as of December 31, 2009 which had been paid in 2010.

21. DEFERRED ACQUISITION COST

	The Group	
	2010 RM'000	2009 RM'000
At beginning of year		
Additions during the year	22,082	21,140
Charged to profit or loss	6,839	2,604
The Disposal (Note 42)	(3,801)	(1,662)
At end of year	(25,120)	-
	-	22,082

NOTES TO THE FINANCIAL STATEMENTS

22. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade receivables	-	72,773	-	-
Allowance for doubtful debts	-	(1,597)	-	-
	-	71,176	-	-
Other receivables	82,946	10,718	82,946	47
Deposits	-	2,305	-	30
Prepaid expenses	-	13,797	-	112
Stakeholders' fund	-	9	-	-
	82,946	98,005	82,946	189
Less: Trade receivables - Portion due after 12 months	-	(9,809)	-	-
	82,946	88,196	82,946	189

The currency profile of trade receivables is as follows:

	The Group	
	2010 RM'000	2009 RM'000
Ringgit Malaysia	-	62,823
US Dollar	-	63
Singapore Dollar	-	3,096
Indonesian Rupiah	-	6,991
	-	72,773

Trade receivables comprise amount receivable from the sale of funeral packages and goods.

The normal credit period granted on sales of goods ranges from 1 to 12 months (2009: 1 to 12 months). Other credit terms are assessed and approved on a case to case basis.

Included in the Group's and Company's other receivables is an amount of RM82,929,550, being the balance due from The Disposal as disclosed in Note 42. This amount shall be set-off against certain shareholders' entitlements from the distributions by way of special dividend and capital repayment as disclosed in Note 42 of which RM916,500 was due from a Director of the Company and RM81,314,950 was due from companies in which certain Directors of the Company have financial interests.

NOTES TO THE FINANCIAL STATEMENTS

23. PRE-NEED FUNERAL CONTRACT RECEIVABLES

	The Group	
	2010	2009
	RM'000	RM'000
Pre-need funeral contract receivables	-	2,155
Less: Portion due after 12 months	-	(407)
		<hr/>
Current portion of pre-need funeral contract receivables	-	1,748
		<hr/>

The Group's normal trade credit ranged from 1 to 12 months (2009: 1 to 12 months). Other credit terms were assessed and approved on a case to case basis.

24. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	The Group	
	2010	2009
	RM'000	RM'000
Deferred tax assets	-	24,113
Deferred tax liabilities	-	(116)
		<hr/>
	-	23,997
		<hr/>
At beginning of year	23,997	13,896
Effects of adoption of FRS 139	208	-
	<hr/>	<hr/>
	24,205	13,896
		<hr/>
Transfer (to)/from profit or loss (Note 11):		
Property, plant and equipment	(212)	39
Deferred acquisition costs	(1,351)	(385)
Deferred pre-need funeral contract revenue	1,832	408
Trade and other receivables	13,461	(7,933)
Trade and other payables	(5,757)	22,833
Inventories and development expenditure	(1,849)	(4,860)
		<hr/>
	6,124	10,102
Acquisition of a subsidiary company (Note 17)	-	(1)
Recognised in other comprehensive income	(83)	-
The Disposal (Note 42)	(30,246)	-
	<hr/>	<hr/>
At end of year	-	23,997
		<hr/>

NOTES TO THE FINANCIAL STATEMENTS

	The Group	
	2010	2009
	RM'000	RM'000
Subject to income tax		
Deferred tax assets (before offsetting)		
Property, plant and equipment	-	3,775
Deferred pre-need funeral contract revenue	-	25,728
Unused tax losses	-	372
Trade and other payables	-	22,833
	-	52,708
Offsetting	-	(28,595)
Deferred tax assets (after offsetting)	-	24,113
Deferred tax liabilities (before offsetting)		
Property, plant and equipment	-	(913)
Deferred acquisition costs	-	(14,425)
Inventories and development expenditure	-	(5,475)
Trade and other receivables	-	(7,898)
	-	(28,711)
Offsetting	-	28,595
Deferred tax liabilities (after offsetting)	-	(118)

As mentioned in Note 4(v), the tax effects of temporary differences which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The amount of unabsorbed capital allowances and unused tax losses which are subject to agreement by the tax authorities for which no deferred tax asset is recognised in the the profit or loss are as follows:

	The Group	
	2010	2009
	RM'000	RM'000
Unabsorbed capital allowances	-	58
Unused tax losses	-	6,034
	-	6,092
Deferred tax assets not recognised	-	1,376

Included in the unused tax losses above in 2009 are unused tax losses of the foreign subsidiary companies amounting to RM21,945, RM211,710 and RM195,501 which will expire in 2017, 2018 and 2019 respectively.

NOTES TO THE FINANCIAL STATEMENTS

25. GOODWILL ARISING ON CONSOLIDATION

	The Group	
	2010	2009
	RM'000	RM'000
Cost:		
At beginning of year	11,486	10,786
Acquisition/Subscription of a subsidiary company (Note 17)	23	1,531
Goodwill written off (Note 7)	-	(831)
The Disposal (Note 42)	(11,509)	-
	<hr/>	<hr/>
At end of year	-	11,486
	<hr/>	<hr/>
Accumulated impairment losses:		
At beginning of year	3,037	-
Impairment losses recognised (Note 7)	-	3,037
The Disposal (Note 42)	(3,037)	-
	<hr/>	<hr/>
At end of year	-	3,037
	<hr/>	<hr/>
	-	8,449
	<hr/>	<hr/>

At the end of last financial year, the Group assessed the recoverable amount of goodwill, and determined that goodwill associated with certain of the Group's subsidiary companies were impaired by RM3,037,000. The recoverable amounts were assessed by reference to the cash-generating units' value in use.

The main factor contributing to the impairment of the cash-generating units was the delay in approvals from relevant authorities for the commencement of construction of a memorial park together with a crematorium and a funeral complex.

The carrying amount of goodwill allocated to each of the Group's cash-generating units ("CGU") are as follows:

	The Group	
	2010	2009
	RM'000	RM'000
NV Care Sdn. Bhd.	-	6,121
Eight Eleven Services Sdn. Bhd.	-	1,535
Chiu An Tai Development Co. Ltd.	-	93
Melati Aman Sdn. Bhd.	-	700
	<hr/>	<hr/>
	-	8,449
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

Key assumptions used in value-in-use calculations

In 2009, the recoverable amount of a CGU was determined based on value-in-use calculations using cash flow projections based on financial forecasts approved by management covering a five (5) year period. Cash flows beyond the five-year period had been extrapolated using estimated growth rates.

The following describes the key assumptions on which management had based its cash flow projections to undertake impairment testing of goodwill:

- a. There would be no material changes in the structure and principal activities of the Group.
- b. Cost/Price inflation - there would not be any significant increase in the prices and supply of materials, wages and other related costs, resulting from industrial dispute, adverse changes in the economic conditions or other abnormal factors, which would adversely affect the operations of the Group.
- c. Discount rate - pre-tax of 8.5%
- d. Interest rates - the interest rates on the existing financing facilities would prevail.
- e. Growth rates used for the CGU operating principally in bereavement products and services were estimated after taking into consideration of the mortality rate of the geographical location of the CGU, the industry trends and past performances of the respective CGU whilst the growth rate for the CGUs in the other sector was estimated using the commodity prices, yields and industry trends.

Management believes that no reasonable possible changes in any of the key assumptions above would cause the recoverable amounts of the CGUs to materially fall below their carrying amounts.

26. AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

	The Company	
	2010 RM'000	2009 RM'000
Amount owing by subsidiary companies	-	150,190
Amount owing to subsidiary companies	-	(17,104)
	-	133,086

The amounts owing by/(to) subsidiary companies were unsecured, interest free with no fixed terms of repayment except for an amount of RM15,625,000 (2009: RM29,627,575) representing advances to certain subsidiary companies on which interest was charged at rates ranging from 4.62% to 5.35% (2009: 4.80% to 8.00%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

27. CASH AND BANK BALANCES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deposits with licensed banks	216,752	2,632	216,752	-
Short-term deposits with other licensed corporations	3,526	25,495	3,526	10,330
Cash on hand and at banks	210	9,976	210	120
Cash and bank balances	220,488	38,103	220,488	10,450
Less : Restricted deposit with licensed bank	-	(140)	-	-
Cash and cash equivalents	220,488	37,963	220,488	10,450

Included in the Group's deposits with licensed bank in 2009 was an amount of RM140,000 which was pledged to secure the end-financing facilities granted to purchasers, for which no loss was expected.

The currency profile of cash and bank balances is as follows:

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Ringgit Malaysia	220,488	32,769	220,488	10,450
United States Dollar	-	509	-	-
Indonesian Rupiah	-	2,517	-	-
New Taiwan Dollar	-	8	-	-
Singapore Dollar	-	2,263	-	-
Others	-	37	-	-
Total	220,488	38,103	220,488	10,450

Short-term funds represent placements in fixed income trust fund. The short-term funds and deposits bear interest at rates ranging from 2.65% to 3.00% (2009: 1.85% to 3.7%) per annum and have an average maturity ranging from 1 to 365 days (2009: 1 to 365 days).

NOTES TO THE FINANCIAL STATEMENTS

28. SHARE CAPITAL

	The Group and The Company			
	Number of shares		Share capital	
	2010	2009	2010	2009
	'000	'000	RM'000	RM'000
Authorised:				
Ordinary shares of RM0.25 each				
At beginning of year	400,000	400,000	100,000	100,000
Created during the year	80,000	-	20,000	-
At end of year	480,000	400,000	120,000	100,000
Issued and fully paid:				
Ordinary shares of RM0.25 each				
At beginning of year	342,804	342,331	85,701	85,583
Issuance of ordinary shares, pursuant to:				
ESOS (Note 30)	4,011	473	1,003	118
Private placement	34,200	-	8,550	-
At end of year	381,015	342,804	95,254	85,701

At the Extraordinary General Meeting ("EGM") held on December 21, 2010, the Company increased its authorised ordinary share capital from RM100 million comprising 400 million ordinary shares of RM0.25 each ("Share") to RM120 million comprising 480 million Shares.

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM85,701,000 to RM95,253,750 in the following manner:

- (a) by way of the issuance of 4,011,000 Shares for cash pursuant to the exercise of share options granted under the Company's Employees Share Option Scheme ("ESOS") at the option prices of RM0.48, RM0.56 and RM0.63 per Share; and
- (b) by an issuance of 34,200,000 new Shares listed and quoted on the Main Market of Bursa Securities under a private placement for the purpose of increasing the working capital of the Company on June 4, 2010.

All the new ordinary shares issued rank pari passu with the then existing shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS

29. RESERVES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-distributable reserves:				
Capital redemption reserve	1,582	1,582	1,582	1,582
Revaluation reserve	-	7,842	-	-
Share premium	12,593	338	12,593	338
Share option reserve	529	1,150	529	1,150
Currency translation reserve	-	786	-	-
	14,704	11,698	14,704	3,070
Distributable reserve:				
Retained earnings	191,087	113,360	191,087	53,811
Share application monies	1,000	-	1,000	-
Treasury shares	-	(7)	-	(7)
	206,791	125,051	206,791	56,874

a. Revaluation reserve

	The Group	
	2010 RM'000	2009 RM'000
At beginning of year	7,842	7,842
The Disposal (Note 42)	(7,842)	-
At end of year	-	7,842

Revaluation reserve represents the net surplus arising on the revaluation of the Company's investment in subsidiary companies which was transferred from retained profit of the subsidiary company in prior years.

b. Share application monies

Share application monies represent monies received in advance from the exercise of options granted under the ESOS of which the ordinary shares were only issued in January 2011 as disclosed in Note 30.

NOTES TO THE FINANCIAL STATEMENTS

c. Share premium

	The Group / The Company	
	2010 RM'000	2009 RM'000
At beginning of year	338	179
Issuance of ordinary shares, pursuant to:		
- ESOS (Note 30)	1,194	109
- Private placement	10,535	-
Disposal of treasury shares	1	-
Transfer from share option reserve	525	50
	12,593	338
At end of year	12,593	338

d. Share option reserve

	The Group / The Company	
	2010 RM'000	2009 RM'000
At beginning of year	1,150	683
Share options granted under ESOS	-	640
Cancellation of share options under ESOS	(96)	(123)
Transfer to share premium	(525)	(50)
	529	1,150
At end of year	529	1,150

Share option reserve represents the equity-settled share-based payments granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

e. Currency translation reserve

Exchange differences arising on translation of foreign entities are taken to the currency translation reserve as described in the accounting policies of the Group in Note 4(x).

NOTES TO THE FINANCIAL STATEMENTS

f. Retained earnings

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At beginning of year	113,360	93,644	53,811	41,957
Effect of adopting FRS 139	(624)	-	-	-
As adjusted	112,736	93,644	53,811	41,957
Profit attributable to owners of the Company	82,342	27,306	146,401	19,444
Acquisition of remaining equity interest in a subsidiary company	(2,708)	-	-	-
Dividend paid	(9,221)	(7,713)	(9,221)	(7,713)
Cancellation of share options under ESOS	96	123	96	123
The Disposal (Note 42)	7,842	-	-	-
At end of year	191,087	113,360	191,087	53,811

In accordance with the Finance Act, 2007, the single tier income tax system became effective from the year of assessment 2008. Under this system, tax on a company's profit is a final tax and dividends paid are exempted from tax in the hands of the shareholders. Unlike the previous imputation system, the recipient of the dividend will no longer be able to claim any tax credit.

Companies without Section 108 tax credit will automatically move to the single tier tax system on January 1, 2008. However, companies with such tax credits are given an irrevocable option to elect for the single tier tax system and disregard the tax credit or to continue to use the tax credits under Section 108 account to frank the payment of cash dividends on ordinary shares for a period of 6 years ending December 31, 2013 or until the tax credits are fully utilised, whichever comes first. During the transitional period, any tax paid will not be added to the Section 108 account and any tax credits utilised will reduce the tax credit balance. All companies will be in the new system on January 1, 2014.

As at the end of the reporting period, the Company has not elected for the irrevocable option to disregard the Section 108 tax credits. Accordingly, subject to the agreement of the Inland Revenue Board, the Company has sufficient Section 108 tax credit under Section 108 to frank payment of dividend of approximately RM60,010,000 out of its retained earnings as of December 31, 2010 without additional tax liabilities being incurred. Any dividend paid in excess of this amount will be under the single tier tax system as explained above.

NOTES TO THE FINANCIAL STATEMENTS

g. Treasury Shares

The Company has on June 28, 2010 at its 19th Annual General Meeting obtained the approval from its shareholders for the renewal of mandate for the Company to purchase its own shares up to ten (10) percent of its total issued and paid up share capital. During the financial year, the Company has repurchased 10,000 Share from the open market for a total consideration of RM6,549, at an average price of RM0.65 per share. Subsequently, all the treasury shares amounting to 20,000 Share were sold in the open market at an average price of RM0.725 per Share on October 15, 2010 and the surplus of RM1,302 has been credited to share premium account in the financial statements of the Group and of the Company. As of to date, the number of outstanding shares in issue against equity is 381,015,000.

30. EMPLOYEES SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the By-Laws approved by the shareholders at the Extraordinary General Meeting held on June 26, 2007. The ESOS was implemented on February 5, 2008 and is to be in force for a period of five years from the date of implementation.

The main features of the ESOS as follows:

- (i) The Option Committee appointed by the Board of Directors to administer the ESOS, may at its discretion at any time within the duration of the scheme, grant options to eligible employees or eligible Directors of the Group to subscribe for new Share in the Company;
- (ii) The total number of shares to be issued under the ESOS shall not exceed in aggregate 15% of the issued and paid up share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to directors and senior management of the Group. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company;
- (iii) The share option price for each share, as determined by the Option Committee, shall be at a discount of not more than 10% from the weighted average market price of the shares for the five market days immediately preceding the date on which the share option is granted, or at the par value of the shares of the Company of RM0.25, whichever is higher;
- (iv) A share option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of offer but before the expiry of 5 years tenure of ESOS; and
- (v) All new ordinary shares issued upon exercise of the share options granted under the ESOS will rank *pari passu* in all respects with the then existing ordinary shares of the Company except that new shares will not be entitled to any dividends, rights, allotment and/or other distribution declared, made or paid, prior to the date of allotment and issuance of the new shares.

NOTES TO THE FINANCIAL STATEMENTS

The movements of the share options over unissued ordinary shares of RM0.25 each and the share option prices during the financial year are as follows:

	Number of share options '000	Weighted average exercise price RM
At beginning of year	8,225	0.56
Exercised	(4,011)	0.55
Cancelled	(645)	0.57
	<hr/>	
At end of year	3,569	0.57
	<hr/>	
Weighted average share price during the financial year		<hr/> 0.67 <hr/>

Details of the Company's ESOS outstanding as at end of the financial year and the inputs into the option pricing model are as follows:

Grant Date	Exercise Period	Exercise Price RM	Number of share options outstanding '000	Fair value of share options RM	Expected volatility %	Expected dividend yield %	Risk-free interest rate per annum %
March 5, 2008	July 2008 to February 2013	0.63	1,480	0.20	37.29	4.80	3.45
December 30, 2008	March 2009 to February 2013	0.48	775	0.10	30.33	5.82	3.22
December 21, 2009	December 2009 to February 2013	0.56	1,314	0.11	22.81	4.54	3.12

The expected volatility is based on historical data and is not necessarily indicative of exercise patterns that may occur.

Share options exercised during the financial year resulted in issuance of 4,011,000 (2009: 473,000) Share at exercise price of RM0.48, RM0.56 and RM0.63 each (2009: RM0.48). The average share price at the date of exercise was RM0.55 (2009: RM0.56).

The resultant premium of RM1,194,000 (2009: RM108,790) arising from the shares issued pursuant to the ESOS above has been credited to the share premium account in Note 29.

Subsequent to the financial year, 2,686,000 Shares were issued as a result of the 2,686,000 share options exercised at the prices of RM0.48, RM0.56 and RM0.63 each. The average share price at the date of exercise was RM0.57. Thereafter, the ESOS had been terminated on January 7, 2011.

NOTES TO THE FINANCIAL STATEMENTS

31. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade payables	-	52,028	-	-
Other payables	1,103	14,017	1,103	898
Accrued expenses	245	39,615	245	2,274
Advance billings	-	59,188	-	-
Amount owing to non-controlling interest	-	26,739	-	-
Incentives payable to agents	-	27,185	-	-
	1,348	218,772	1,348	3,172
Less: Portion payable after 12 months	-	(27,624)	-	(600)
Current portion of trade and other payables	1,348	191,148	1,348	2,572

The currency profile of trade payables is as follows:

	The Group	
	2010 RM'000	2009 RM'000
Ringgit Malaysia	-	40,489
United States Dollar	-	18
Singapore Dollar	-	8,895
Indonesian Rupiah	-	2,626
	-	52,028

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. The credit period granted to the Group and the Company for trade purchases ranges from 30 to 90 days (2009: 30 to 90 days).

Advance billings represent products other than pre-need sales of funeral products that have been invoiced but not yet delivered or completed.

The amount owing to non-controlling interests in 2009 was unsecured, interest-free with no fixed terms of repayment except for an amount of RM19,343,376 which bore interest at rates ranging from 2.5% to 6.88% per annum.

NOTES TO THE FINANCIAL STATEMENTS

32. HIRE-PURCHASE PAYABLES

	The Group	
	2010 RM'000	2009 RM'000
Total outstanding	-	1,679
Less: Interest-in-suspense	-	(228)
Principal outstanding	-	1,451
Less: Amount due within 12 months	-	(594)
Non-current portion	-	857

The non-current portion is repayable as follows:

	The Group	
	2010 RM'000	2009 RM'000
Financial year ending December 31,		
2011	-	353
2012	-	201
2013	-	142
2014 and above	-	161
	-	857

The average term for hire-purchase is 5 to 10 years. For the financial year ended December 31, 2010, the interest rates implicit in the hire-purchase payables of the Group ranges from 4.33% to 8.55% (2009: 4.2% to 12.31%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The Group's hire-purchase payables are secured by a charge over the assets under hire-purchase.

NOTES TO THE FINANCIAL STATEMENTS

33. BORROWINGS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Shown under Current Liabilities:				
Unsecured				
Term loan 1	-	5,625	-	5,625
Term loan 2	-	5,369	-	-
Revolving credit	-	2,054	-	-
	-	13,048	-	5,625
Shown under Non-current Liabilities:				
Unsecured				
Term loan 1	-	15,625	-	15,625
Term loan 2	-	16,349	-	-
	-	31,974	-	15,625
Total borrowings	-	45,022	-	21,250

The currency profile of borrowings is as follows:

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
United States Dollar	-	2,054	-	-
Singapore Dollar	-	21,718	-	-
Ringgit Malaysia	-	21,250	-	21,250
	-	45,022	-	21,250
The non-current portion is repayable as follows:				
Not later than two years	-	12,868	-	7,500
Later than two years but not later than five years	-	19,106	-	8,125
	-	31,974	-	15,625

The revolving credit granted to a subsidiary company is denominated in United States Dollar, bears interest at rates ranging from 2.31% to 6.45% per annum, and is guaranteed by the Company. Pursuant to The Disposal, this guarantee was discharged by the foreign bank as of December 31, 2010.

NOTES TO THE FINANCIAL STATEMENTS

Term Loan 1

Term Loan 1 of RM25 million is unsecured, bears interest at rates ranging from 3.62% to 4.35% (2009: 3.59% to 3.80%) per annum. The term loan is repayable by 13 quarterly instalments of RM1,875,000 each commencing on October 1, 2009 and a last instalment of RM625,000. This term loan has been fully settled during the financial year prior to The Disposal.

Term Loan 2

This term loan granted to a foreign subsidiary company by a foreign bank and denominated in Singapore Dollar (SGD) is secured by a corporate guarantee from the Company. The term loan bears interest at rates ranging from 2.12% to 2.52% (2009: 2.4% to 2.95%). The term loan is repayable by 8 semi-annual instalments of SGD1,100,000 each commencing on August 4, 2009 and a final instalment of SGD1,800,000. Pursuant to The Disposal, the corporate guarantee from the Company was discharged by the foreign bank as of December 31, 2010.

34. DEFERRED PRE-NEED FUNERAL CONTRACT REVENUE

	The Group	
	2010 RM'000	2009 RM'000
At beginning of year	104,000	101,711
Sales during the year	16,154	9,368
Exercised and recognised during the year	(8,713)	(7,079)
At end of year	111,441	104,000
Cumulative realised and unrealised gain/(loss) in sinking fund	11,001	8,227
The Disposal (Note 42)	122,442 (122,442)	112,227 -
	-	112,227

NOTES TO THE FINANCIAL STATEMENTS

35. DIVIDENDS

	The Group and The Company	
	2010 RM'000	2009 RM'000
First and final dividend paid:		
3.25 sen (2009: 3 sen) or 13% (2009: 12%) gross per Share,		
less 25% income tax	9,221	7,713

At the Extraordinary General Meeting ("EGM") held on December 21, 2010, the shareholders of the Company had approved The Disposal and The Disposal was completed on December 30, 2010. Subsequently on January 28, 2011, the Company distributed part of the cash proceeds arising from The Disposal to all entitled shareholders as special dividend comprising (i) gross dividend of 20.8 sen or 83.2% gross per Share less 25% income tax and (ii) single tier dividend of 32.7 sen or 130.8% gross per Share on 383,701,000 Shares, amounting to RM185,327,583. The financial statements for the current financial year do not reflect this special dividend. This dividend will be accounted for in equity as an appropriation of retained earnings during the financial year ending December 31, 2011.

36. CONTINGENT LIABILITIES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Damages claimed by third parties as a result of earthworks carried out*	-	1,875	-	-
Corporate guarantee for banking facilities obtained and utilised by subsidiary companies	-	-	-	23,863
	-	1,875	-	23,863

- * Nirvana Memorial Park (Johor) Sdn. Bhd., a former wholly-owned subsidiary of the Company, has on March 11, 2010 received the decision of the High Court, Johor Bahru granting judgment in favour of the third party for special damages in a sum of RM1,874,835 together with interest and costs.

NOTES TO THE FINANCIAL STATEMENTS

37. FINANCIAL INSTRUMENTS

Categories of Financial Instruments	The Group and The Company 2010 RM'000
Financial Assets	
Cash and cash equivalents	220,488
Loan and receivables - Other receivables	82,930
Financial Liabilities	
Amortised cost – Other payables	1,103
Accrued expenses	245

Comparative disclosures have not been presented upon initial adoption of FRS 7 as the Group and the Company have availed themselves of the transitional provision in this standard.

38. FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

The Group is exposed to financial risks arising from its business activities and manages this through established risk management processes, proper monitoring and reporting to the management.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. As the Group's operating cash flows are substantially independent of changes in market interest rates, the Group did not use derivative financial instruments to hedge its risk. Interest rate exposure arises from the Group's borrowings and deposits during the year and is managed through the use of fixed and floating rate debt.

As of the end of the reporting period, the Group and the Company do not have any interest-bearing borrowings and as such, no interest rate sensitivity analysis is presented.

(ii) Foreign Exchange Risk

The Group incurs foreign currency risk on borrowings that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is primarily Singapore Dollar and United States Dollar. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

As of the end of the reporting period, the financial assets and financial liabilities of the Group and the Company are all denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

(iii) Credit Risk

The Group and the Company have no significant concentration of credit risk with any single counterparty during the year. Credit risks are controlled by the application of credit approvals, limits and monitoring procedures. During the year, the Group is exposed to credit risk mainly from trade receivables and other receivables. Receivables are monitored on an ongoing basis through Group management reporting procedures.

In respect of investment in cash and deposits, the policy is to transact with financial institutions that are assessed for acceptable creditworthiness. The likelihood of non-performance by these financial institutions is remote based on their high credit ratings. As of the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each financial asset as disclosed in Notes 22 and 27.

(iv) Market Risk

In connection with the Group's pre-arranged funeral operations, the cost of providing funeral packages in the future are deposited with the Trustee independent of the Group's finances. The risk is minimised through stringent cost control by the Group, regular valuation by an independent Actuarial Consultant, and an established investment policy by the Trustee.

As of the end of the reporting period, the Group and the Company do not provide funeral packages and as such, no deposit is placed with the Trustee.

(v) Liquidity Risk

It is the Group's policy to maintain flexibility in funding by keeping committed credit lines available to ensure its ability to service obligation in the future by way of ongoing monitoring and forecasting of cash requirements.

As of the end of the reporting period, the Group and the Company do not have any borrowings.

(vi) Fair Value

The estimated fair value of the financial assets and financial liabilities as of the end of the reporting period approximate their carrying amounts as shown in the statements of financial position as these financial instruments have short-term maturity or are repayable on demand.

(vii) Capital Risk Management Policies and Procedures

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The capital structure of the Group and the Company as of the end of the reporting period comprises issued capital and retained earnings.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares, adjust the dividend payment to shareholders or return capital to shareholders.

NOTES TO THE FINANCIAL STATEMENTS

39. SEGMENTAL REPORTING

The Group's segmental reporting had been presented based on internal reporting that are reviewed by the Group's Managing Director who is the Group's chief operating decision-maker who is responsible for allocating resources and assessing the performance of the operating segments.

The Group's operating and reportable segments are business units engaged in providing different products or services or business units operating in different geographical locations. These businesses are managed and assessed separately as each requires a differentiated strategy focused on the specific products and services provided for the economic, competitive and geographical environment in which it operates. For each operating segment, the chief operating decision-maker reviews the internal management reports monthly in order to assess their performance.

Measurement and Evaluation of Segment Performance

The chief operation decision-maker evaluates the operating segments' performance on the basis of revenue, profit and asset quality. Expenses directly associated with each operating segment are included in determining their respective profit. Transactions between operating segments are based on mutually agreed allocation bases. Funds are allocated between segments and inter-segment funding cost transfers are reflected in net interest income. In addition to the operating segments, the segment information disclosed also includes internal service providers (head office) and inter-segment eliminations.

Major Customers

No single customer has contributed to more than 10% of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

The Group's financial information by products, service and geographical segments are as follows:

2010	← Cemeteries		→ Funeral Service		Elimination	Others#	Total
	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Malaysia RM'000			
Segment revenue	177,307	41,543	20,457	31,946	-	1,146	272,399
Segment results	31,408	8,371	4,292	3,270	(43,050)	97,453	101,744
Interest income	1,296	1	125	4	(2,994)	2,883	1,315
Depreciation and amortisation	(2,286)	(331)	(260)	(1,267)	-	(821)	(4,965)
Finance costs	(951)	(2,173)	(3)	(28)	2,994	(2,079)	(2,240)
Operating Profit	29,467	5,868	4,154	1,979	(43,050)	97,436	95,854
Income tax expense							(11,719)
Profit for the year							84,135
Attributable to :							
Owners of the Company							82,342
Non-controlling interests							1,793
							84,135

NOTES TO THE FINANCIAL STATEMENTS

2009	← Cemeteteries		→ Indonesia		Funeral Service		Others# RM'000	Elimination RM'000	Total RM'000
	Malaysia RM'000	Singapore RM'000	Malaysia RM'000	Indonesia RM'000	Malaysia RM'000	Indonesia RM'000			
Segment revenue	165,475	16,576	15,315	-	30,765	-	229	-	228,360
Segment results	35,466	2,373	2,161	-	1,971	(24,870)	27,297	(24,870)	44,398
Interest income	1,029	-	-	-	2	(3,685)	3,109	(3,685)	455
Depreciation and amortisation	(2,251)	(202)	(168)	-	(1,345)	-	(326)	-	(4,292)
Finance costs	(1,595)	(2,118)	(7)	(7)	(39)	3,685	(2,968)	3,685	(3,042)
Operating Profit	32,649	53	1,986	589	27,112	(24,870)	37,519		37,519
Income tax expense									(10,038)
Profit for the year									27,481
Attributable to :									
Owners of the Company									27,306
Non-controlling interests									175
									27,481

Comprise mainly the operation of the Company, Cambodia, Hong Kong and Taiwan.

NOTES TO THE FINANCIAL STATEMENTS

	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Others * RM'000	Elimination RM'000	Total RM'000
2010						
Segment assets	303,434	-	-	-	-	303,434
Segment liabilities	(1,389)	-	-	-	-	(1,389)
Total net assets	302,045	-	-	-	-	302,045
Other Information						
Capital expenditure	4,519	314	560	4	-	5,397
Property, plant and equipment written off	22	4	-	-	-	26
2009						
Segment assets	452,521	75,865	26,231	52,428	-	607,045
Segment liabilities	(320,195)	(22,726)	(18,973)	(19,083)	-	(380,977)
Total net assets	132,326	53,139	7,258	33,345	-	226,068
Other Information						
Capital expenditure	4,360	931	251	66	-	5,608
Property, plant and equipment written off	112	-	-	-	-	112
Goodwill written off	831	-	-	-	-	831
Negative goodwill recognised	(230)	-	-	-	-	(230)
Impairment losses recognised on goodwill	3,037	-	-	-	-	3,037
Share-based payment expenses	640	-	-	-	-	640

* Comprise geographical locations of Cambodia, Hong Kong and Taiwan.

No reconciliation is performed for all the reportable segments to consolidated financial statements as there is no difference between the two records.

NOTES TO THE FINANCIAL STATEMENTS

40. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Directors are of the opinion that all the related party transactions have been established on terms and conditions that are determined on a basis as negotiated between the related parties. Other than as disclosed elsewhere in the Financial Statements, the significant related parties information is as follows :

a. Transactions with subsidiary companies

The transactions with subsidiary companies have been disclosed in Notes 5 and 7.

The management fees charged to subsidiary companies are in respect of administrative functions of the subsidiary companies which are performed by employees of the Company.

b. Significant balances with related parties

The significant balances with related parties have been disclosed in Notes 22 and 31.

c. Transactions with related parties

The following are the significant transactions with related parties during the financial year:

	The Group	
	2010	2009
	RM'000	RM'000
Commission paid to a director of a former subsidiary company and a company in which he has substantial financial interest	-	373
Repayment of advances to non-controlling shareholders of the former subsidiary companies	937	1,064
Interest payable on advances from non-controlling shareholders of the former subsidiary companies	1,145	938
Advances from non-controlling shareholders of the former subsidiary companies	4,902	3,952
Plantation development expenditure paid and payable to a company which has common director in a former subsidiary company	1,441	500

NOTES TO THE FINANCIAL STATEMENTS

d. Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly.

The total remuneration of members of key management personnel (including the remuneration of the Directors as disclosed in Note 8) during the financial year are as follows:

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Short-term benefits	5,213	3,923	2,976	2,754
Post-employment benefits	616	493	467	425
Share-based payments	-	161	-	108
	<u>5,829</u>	<u>4,577</u>	<u>3,443</u>	<u>3,287</u>

The estimated monetary value of benefits-in-kind received and receivable by the key management personnel from the Group and the Company amounted to RM246,761 (2009: RM264,161) and RM109,428 (2009: RM134,183) respectively.

41. CAPITAL COMMITMENTS

Capital commitments which have been approved and contracted for but not provided for in the financial statements are as follows:

	The Group	
	2010 RM'000	2009 RM'000
Property, plant and equipment	-	1,264
Plantation management services	-	6,300
	<u>-</u>	<u>7,564</u>

NOTES TO THE FINANCIAL STATEMENTS

42. SIGNIFICANT EVENTS

- (i) Disposal and distribution of the cash proceeds arising from The Disposal to all the entitled shareholders

On October 21, 2010, the Company entered into a conditional master sale and purchase agreement with NV Multi Asia Sdn Bhd (formerly known as Mutual Tactic Sdn Bhd) ("NVMA"), a wholly-owned subsidiary of Peace Ventures Ltd., a company which certain Directors namely, Dato' Kong Hon Kong and Kong Yew Foong have interest, to dispose the entire business and undertakings (including the entire assets and liabilities) of the Company to NVMA for a total consideration of RM300,011,400 ("The Disposal"), which is equivalent to 78 sen per Share in the Company multiplied by 384,630,000 Shares being the total number of the Company's outstanding shares as of October 20, 2010 assuming all the outstanding 6,195,000 ESOS have been exercised. Upon completion of The Disposal, the total consideration will be distributed via special dividend and capital repayment ("Distribution"). The status of The Disposal and Distribution are as follows:

- a. At the Extraordinary General Meeting of the Company held on December 21, 2010, The Disposal and Distribution were duly approved by the shareholders of the Company.
- b. The Disposal was completed on December 30, 2010 and the effects of The Disposal on the financial position of the Group are as follows:

	RM'000
Assets:	
Property, plant and equipment	42,591
Plantation development expenditure	1,972
Other investments	301
Sinking fund	34,159
Deferred acquisition cost	25,120
Trade and other receivables	95,006
Pre-need funeral contract receivables	3,981
Deferred tax assets	30,498
Goodwill arising on consolidation	8,472
Inventories, land and development expenditure	340,561
Tax recoverable	1,609
Total assets	584,270

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

	RM'000
Liabilities:	
Trade and other payables	272,802
Hire purchase payables	733
Borrowings	15,990
Deferred pre-need funeral contract revenue	122,442
Deferred tax liabilities	252
Tax liabilities	8,648
	420,867
Net assets disposed	163,403
Cash and cash equivalents	87,867
	251,270
Fair value of net assets disposed	251,270
Gain on The Disposal	48,741
	300,011
Net Sale proceed	300,011
Less : Cash and cash equivalents	(87,867)
Amount due from certain shareholders#	(82,930)
	129,214
Net cash inflow from The Disposal	129,214

#This amount is to be set-off against the certain shareholders' entitlements from the distributions of the special dividend and capital repayment as disclosed in Note 22.

- c. On January 28, 2011, the Company distributed part of the cash proceeds arising from The Disposal to all entitled shareholders as special dividend comprising of (i) gross dividend of 20.8 sen less 25% income tax and (ii) single tier dividend of 32.7 sen for each Share, the total distribution of which amounted to RM185,327,583.
- d. The remaining Distribution was distributed via capital repayment by way of cash distribution on the basis of 29.7 sen for each Share which was completed on March 11, 2011 through the implementation of the following:
- (i) Bonus issue of 76,740,200 new ordinary shares of the Company ("Bonus Share"), to be credited as fully paid-up on the basis of one (1) Bonus Share for every five (5) existing ordinary shares of the Company ("Bonus Issue");
 - (ii) Consolidation of every four (4) ordinary shares of the Company (including the Bonus Shares) into one (1) ordinary share of RM1.00 each of the Company ("Consolidated Share") ("Consolidation"); and
 - (iii) Reduction of the share capital of the Company (after the Bonus Issue and Consolidation) pursuant to Section 64 of the Companies Act, 1965 involving the cancellation of 99 sen of the par value of RM1.00 for each Consolidated Share. The court order confirming the capital reduction pursuant to Section 64 of the Companies Act, 1965 was granted by the High Court to the Company on February 10, 2011.

Upon completion of the capital reduction on March 7, 2011, the entire issued and paid-up share capital of the Company amounted to RM1,151,103, comprising 115,110,300 ordinary shares of RM0.01 each.

NOTES TO THE FINANCIAL STATEMENTS

(ii) Proposed Restructuring Scheme

- a. The Company had on November 23, 2010 entered into a Heads of Agreement with Oh Chiew Ho and Low Yang Leen ("the Vendors") in respect of a restructuring exercise whereby a special purpose vehicle will be incorporated to acquire the entire issued and paid-up share capital of Ann Yak Siong Hardware Sdn Bhd ("AYS") and the Company, and assuming the listing status of the Company upon completion of the proposed acquisition of the Company ("Proposed Restructuring Scheme") as part of the regularisation plan after the completion of The Disposal.
- b. On December 22, 2010, the Company had entered into a Restructuring Agreement with the Vendors, Tan Chee Kuan and AYS Ventures Sdn Bhd ("Newco"), a special purpose vehicle, which shall assume the listing status of the Company upon completion of the Proposed Restructuring Scheme and the details of the Proposed Restructuring Scheme is as follows:
 - I. proposed share split involving the subdivision of every 1 existing ordinary share of RM1.00 each in Newco into 2 ordinary shares of RM0.50 each in Newco ("Newco Shares") and conversion of Newco into a public company;
 - II. proposed acquisition by Newco of the entire issued and paid-up share capital of AYS and its subsidiaries for a purchase consideration of RM172,000,000;
 - III. proposed share exchange of the entire issued and paid-up share capital of the Company up to 115,377,600 ordinary shares of RM0.01 each ("NV Multi Shares") with up to 18,460,416 new Newco Shares at an issue price of RM0.50 per Newco Share on the basis of 8 new Newco Shares for every 50 existing NV Multi Shares held (after The Disposal and Distribution), to the shareholders of the Company;
 - IV. proposed transfer of the listing status of the Company to Newco; and
 - V. proposed offer for sale of up to 73,460,416 Newco Shares ("Offer Shares") by Vendors and/or Non-controlling interests and/or its nominees comprising:
 - I. up to 18,460,416 Offer Shares to the existing shareholders of the Company on the basis of 1 Offer Share for every 1 Newco Share held after the Proposed Share Exchange at an offer price of RM0.50 per Offer Share; and
 - ii. up to 55,000,000 Offer Shares to eligible investors in order to comply with the public shareholding spread requirements at an offer price of RM0.50 per Offer Share

The Company and the Vendors are in the midst of preparing the necessary submission to the relevant authorities for approval.

(iii) Classified as PN17 company

Upon the completion of The Disposal on December 30, 2010, the Company has been classified as a PN17 company of the Main Market Listing Requirements of Bursa Securities.

On February 24, 2011, the Company announced the suspension of trading in the Company's shares on the Main Market of Bursa Securities pursuant to para 3.1(c) of Practice Note 2 of the Main Market Listing Requirements of Bursa Securities until the completion of the Proposed Restructuring Scheme.

43. SUPPLEMENTARY INFORMATION

Disclosure of Realised and Unrealised Profits

On March 25, 2010, Bursa Securities issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Main Market Listing Requirements of Bursa Securities. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On December 20, 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The retained earnings of the Group and of the Company as of December 31, 2010 are all realised profits pursuant to the directive.

Comparative information is not presented in the first financial year of application pursuant to the directive issued by Bursa Securities on March 25, 2010.

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No.1, "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Main Market Listing Requirements of Bursa Securities", issued by the Malaysian Institute of Accountants on December 20, 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

STATEMENT BY DIRECTORS

The Directors of **NV MULTI CORPORATION BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with the Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of December 31, 2010 and of the financial performance and the cash flows of the Group and the Company for the year ended on that date.

The supplementary information set out in Note 43, which is not part of the financial statements, is prepared in all material respects, in accordance with "Guidance on Special Matter No.1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

DATO' KONG HON KONG
Director

SOO WEI CHIAN
Director

Kuala Lumpur
April 28, 2011

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, GIAM SEU GEK (f), the officer primarily responsible for the financial management of **NV MULTI CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

GIAM SEU GEK (f)

Subscribed and solemnly declared by the abovenamed GIAM SEU GEK (f) at Kuala Lumpur this 28th day of April, 2011.

Before me,

SHAFIE B. DAUD (W350)
COMMISSIONER FOR OATHS

ANALYSIS OF SHAREHOLDINGS AS AT MAY 3, 2011

Authorised Share Capital	:	RM1,200,000 divided into 120,000,000 ordinary shares of RM0.01 each
Issued and Paid-up Share Capital	:	RM1,151,103 comprising of 115,110,300 ordinary shares of RM0.01 each
Class of Securities	:	Ordinary shares of RM0.01 each
Voting Rights	:	One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT MAY 3, 2011

Size of Shareholdings	No. of Holders		No. of Shares	
		(%)		(%)
less than 100	77	3.83	1,602	0.00
100 - 1,000	247	12.28	140,729	0.12
1,001 - 10,000	1,343	66.75	4,254,446	3.70
10,001 - 100,000	275	13.66	7,731,641	6.72
100,001 to 5,755,514 (less than 5% of issued shares)	68	3.38	71,706,902	62.29
5,755,515 (5% of issued shares) and above	2	0.10	31,274,980	27.17
Total	2,012	100.00	115,110,300	100.00

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT MAY 3, 2011

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	(%)	No. of Shares	(%)
Anugaris Sdn. Bhd.	22,874,980	19.87	-	-
Meridian Location Sdn. Bhd.	8,400,000	7.30	-	-
Dato' Kong Hon Kong	352,500	0.31	31,274,980	* 27.17
Datin Lau Ah Lan	-	-	31,688,980	# 27.53
Kong Yew Foong	61,500	0.05	8,400,000	@ 7.30

Notes:-

* Deemed interest by virtue of his substantial interests in Anugaris Sdn. Bhd. and Meridian Location Sdn. Bhd.

Deemed interest by virtue of her spouse's (Dato' Kong Hon Kong) shareholding in the Company, Anugaris Sdn. Bhd., Meridian Location Sdn. Bhd. and her son's (Kong Yew Foong) shareholdings in the Company and Meridian Location Sdn. Bhd.

@ Deemed interest by virtue of his substantial interests in Meridian Location Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS AS AT MAY 3, 2011

DIRECTOR' SHAREHOLDING AS AT MAY 3, 2011

Name of Directors	Direct Interest		Deemed Interest	
	No. of Shares	(%)	No. of Shares	(%)
Dato' Fu Ah Kiow	309,000	0.27	,050,000 ^	0.91
Dato' Kong Hon Kong	352,500	0.31	31,363,780 *	27.25
Lee Ah Kong	42,000	0.04	-	-
Kong Yew Foong	61,500	0.05	8,400,000 #	7.30
Soo Wei Chian	381,002	0.33	-	-
Tan Kean Huat	2,283,000	1.98	538,500 @	0.47
Dato' Tang See Hang	18,000	0.02	-	-
Yap Kim Swee	18,000	0.02	-	-

Notes:-

- ^ Deemed interest under Section 6A(4)(c) of the Companies Act, 1965 through Maxifront Sdn. Bhd.
- * Deemed interest under Section 6A(4)(c) of the Companies Act, 1965 through Anugaris Sdn. Bhd. and Meridian Location Sdn. Bhd. and through his children pursuant to Section 134(12)(c) of the Companies Act, 1965
- # Deemed interest under Section 6A(4)(c) of the Companies Act, 1965 through Meridian Location Sdn. Bhd.
- @ Deemed interest under Section 6A(4)(c) of the Companies Act, 1965 through Esteem Interest Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS AS AT MAY 3, 2011

TOP THIRTY SECURITIES ACCOUNT HOLDERS AS AT MAY 3, 2011

(without aggregating securities from different securities accounts belonging to the same depositor)

No.	Name of shareholders	No. of shares	(%)
1	Anugaris Sdn Bhd	22,874,980	19.87
2	Meridian Location Sdn Bhd	8,400,000	7.30
3	Berjaya Sompoo Insurance Berhad	5,040,000	4.38
4	HSBC Nominees (Asing) Sdn Bhd Qualifier: Exempt An for Credit Suisse (SG BR-TST-Asing)	4,500,000	3.91
5	Cartaban Nominees (Asing) Sdn Bhd Qualifier: RBC Dexia Investor Services Bank for Platinum Global Dividend Fund Limited	4,330,200	3.76
6	OSK Nominees (Asing) Sdn Berhad Qualifier: Pledged Securities Account for Improve Performance Investments Limited	4,162,020	3.62
7	HSBC Nominees (Asing) Sdn Bhd Qualifier: Exempt An for RBS Coutts Bank Ltd (SG Branch)	3,870,000	3.36
8	OSK Nominees (Tempatan) Sdn Berhad Qualifier: Pledged Securities Account for Rich Interest Sdn Bhd	3,846,000	3.34
9	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	3,824,100	3.32
10	EB Nominees (Tempatan) Sendirian Berhad Qualifier: Pledged Securities Account for Tham Foo Keong (KLM)	3,300,000	2.87
11	EB Nominees (Tempatan) Sendirian Berhad Qualifier: Pledged Securities Account for Vistaharta Development Sdn Bhd (KLM)	3,075,000	2.67
12	Alliancegroup Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Ong Siew Eng @ Ong Chai (8040800)	3,000,000	2.61
13	Pua Soon	3,000,000	2.61
14	HLB Nominees (Asing) Sdn Bhd Qualifier: Pledged Securities Account for Explicit Group Limited (SIN 90658-3)	2,321,430	2.02
15	Wong Swee Yee	2,091,570	1.82
16	Harbourlife Sdn Bhd	1,844,520	1.60
17	HSBC Nominees (Tempatan) Sdn Bhd Qualifier: Exempt An for HSBC (Malaysia) Trustee Berhad (GWS-NVCARE-5147)	1,800,000	1.56

ANALYSIS OF SHAREHOLDINGS AS AT MAY 3, 2011

TOP THIRTY SECURITIES ACCOUNT HOLDERS AS AT MAY 3, 2011

(without aggregating securities from different securities accounts belonging to the same depositor)

No.	Name of shareholders	No. of shares	(%)
18	Mayban Nominees (Tempatan) Sdn Bhd Qualifier: Ting Poi Ling	1,710,000	1.49
19	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Fabulous Channel Sdn Bhd (AF0010)	1,519,500	1.32
20	EB Nominees (Tempatan) Sendirian Berhad Qualifier: Pledged Securities Account for Au Kok Wah (KLM)	1,500,000	1.30
21	OSK Nominees (Tempatan) Sdn Berhad Qualifier: Pledged Securities Account for Tan Kean Huat	1,500,000	1.30
22	Tang Yin Seng	1,164,360	1.01
23	Maxifront Sdn Bhd	1,050,000	0.91
24	Ting Siu Chao	991,500	0.86
25	Ting Poi Ling	794,400	0.69
26	CIMSEC Nominees (Tempatan) Sdn Bhd Qualifier: CIMB Bank for Tan Kean Huat (MY0603)	750,000	0.65
27	Tang Yin Seng	732,000	0.64
28	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (Par 2)	701,880	0.61
29	Fong Kok Leong	570,000	0.50
30	Esteem Interest Sdn Bhd	538,500	0.47
Total		94,801,960	82.37



No. of Shares held

FORM OF PROXY

I/We
(Full Name and NRIC/Company No.)

of.....
(Full Address)

being a member of the NV Multi Corporation Berhad hereby appoint
(Full Name and NRIC /Company No.)

of.....
(Full Address)

or failing whom,
(Full Name and NRIC/Company No.)

of.....
(Full Address)

or failing whom, the **Chairman of the meeting** as my/our proxy to attend and vote for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company to be held at Level 3, Wisma NV Multi, No 1, Jalan 1/116A, Off Jalan Sungai Besi, 57100 Kuala Lumpur on Wednesday, June 22, 2011 at 11.00 a.m. or at any adjournment thereof, in the manner as indicated below:-

No.	Resolutions	For	Against
1.	To receive the Audited Financial Statements for the financial year ended December 31, 2010 and the Reports of the Directors and Auditors.		
2.	To re-elect Tan Kean Huat, as Director.		
3.	To re-elect Yap Kim Swee, as Director.		
4.	To re-elect Dato' Tang See Hang, as Director.		
5.	To approve the payment of Directors' fees.		
6.	To re-appoint Messrs. Deloitte KassimChan as Auditors and to authorise the Directors to fix their remuneration.		

(Please indicate with an "X" in the appropriate space how you wish your vote to be cast. In the absence of specific directions, your proxy may vote or abstain from voting on any resolution as he/she may thinks fit.)

 Signature of Shareholder(s)/Common Seal

Dated this _____ day of _____, 2011

NOTES:-

1. A member of the Company who is entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies; and in case of corporation, a duly authorised representative to attend and vote in his stead.
2. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or his/her attorney duly authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 3A, Wisma NV Multi, No 1, Jalan 1/116A, Off Jalan Sungai Besi, 57100 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.

fold

Stamp



The Company Secretary

NV MULTI CORPORATION BERHAD (204888-D)

Level 3A, Wisma NV Multi

No.1 Jalan 1/116A,

Off Jalan Sungai Besi,

57100 Kuala Lumpur

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